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Danford Named to N.A.I.A. Executive Secretary Post

Reckling Advertising Manager of American Agency Bulletin

Harold R. Danford, from 1943 to 1949 director of the educational division of Assn. of Casualty & Surety Companies, has been named executive secretary of National Assn. of Insurance Agents. Mr. Danford will attend the N.A.I.A. convention in Chicago, assuming his new duties shortly before that.

Since 1949 he has been supervisor of health, physical education and safety for the Pinellas county, Fla., public schools at Clearwater, where he supervised 59 schools and 900 teachers.

The post of executive secretary at N.A.I.A. has been open since John F. Neville was recalled to army service as a captain.

In his work with the casualty companies' association, Mr. Danford traveled a good deal and spoke on safety subjects at a number of agents' meetings including two mid-year conventions of N.A.I.A.

Graduate of Ohio University

A graduate of Ohio University, Mr. Danford has a master's degree from Boston University and spent 1½ years at New York University studying for his doctorate.

He was a teacher from 1930 until 1943 when he went with Assn. of Casualty & Surety Companies. He started with the Beallsville, O., elementary schools, was at the Auburn, Me., high school for two years; at Hingham, Mass., high school from 1936 till 1940, and the Connecticut state teachers college from 1940 to 1943. While in Maine he was president of the state physical education association. He went to Florida in 1949 because of the health of one of his children.

Reckling in Publicity Division

Clifford Reckling, formerly vice-president and sales manager of Koster, Dana & Co., has been appointed advertising manager of American Agency Bulletin, and assistant director of promotion and publicity of N.A.I.A. He succeeds Ambrose W. Hussey, who is leaving to become advertising representative for Ahrens Publishing Co., New York.

At Koster, Dana & Co., Mr. Reckling specialized in selling advertising and sales promotion material in the personal trust and insurance fields. He served three years with the air force, coming out as a 1st lieutenant.

Mr. Reckling received his B.A. from New York University and also completed the Bakeless course in journalism at the school of commerce.

The Connecticut department has licensed Birmingham Fire of Pa., Warner Reciprocal Insurers and Canners Exchange Subscribers at Warner Insurance Bureau of Chicago.

E.C. Rates Up 100% in Conn. and Vt.; Higher in Bay State

Effective Aug. 13, rates in Connecticut for extended coverage No. 4 were increased 100%, and at the same time rates for fire insurance on 15 major classes have been reduced from 5 to 25%. The fire rate changes produce an overall reduction of 9.65%, an annual saving of \$2,110,523.

The new rate for E.C. on dwellings is 12 cents per \$100 for one year and 30 cents for three years. The filing was considered in the nature of an emergency measure by New England Fire Insurance Rating Assn.

The premiums written-losses paid results for extended coverage in Connecticut over a 10-year period as compiled by the department are shown herewith. Nearly all of the losses are brought about by windstorm.

	Premiums Written	Losses Paid	Loss Ratio
1940	323,020	27,292	8.4
1941	440,534	133,709	30.4
1942	564,347	146,110	25.9
1943	665,324	117,859	17.7
1944	938,988	1,963,143	209.3
1945	1,146,169	156,821	13.7
1946	1,765,831	267,113	15.1
1947	2,085,025	708,161	34.0
1948	2,572,873	746,777	29.1
1949	2,908,476	548,880	18.8
1950	3,056,425	8,101,309	265.0

The department estimates that a rate of 20 cents per \$100 on one-year policies would have been necessary for the companies to break even over the 11-year period. Dwelling classes produced approximately 60% of the E.C. No. 4 premiums, and 67% of the losses. The earned premiums in Connecticut on E.C. for 1950 were \$2,073,348 and the losses \$7,804,417.

The major classes receiving fire rate reductions include dwellings, churches, hotels, theaters, public buildings, educational institutions, mercantile buildings. Three major classes receive rate increases: Unsprinklered risks of woodworkers, metal works and textile workers. These increases range from 5 to 25%, the filings being based on a study of the latest five year experience. No changes have been made on farm and oil risks since these classes are to be rated under new schedules.

Also effective Monday were E.C. rate increases in Massachusetts and Vermont. There was an increase in New Hampshire last April. Approval has not yet been given in Rhode Island to an increase in the E.C. rate from 9 cents to 12 cents.

The increase in Vermont is the same as Connecticut from 6 to 12 cents while the Massachusetts rate improves from 9 cents to 12 cents.

Capital to Be \$750,000

Birmingham Fire of Alabama is preparing to increase its capital from \$500,000 to \$750,000 by means of a stock dividend. The distribution will be made to stockholders of record Nov. 10.

Hitt to Atlanta Insurer

E. G. Hitt, Jr., has resigned as assistant manager at Atlanta of American Foreign Insurance Assn. to become vice-president of Great Southern Ins. Co., of Atlanta. That company is owned by the general agency of Lipscomb-Ellis Co. and so far has been set up as a reinsurer. It will now prepare to enter the local agency field in Georgia and Florida and surplus to policyholders is to be brought up from \$100,000 to \$200,000.

Mrs. Page Crahan of Vinita, Okla., who has operated an agency there since her husband's death two years ago, has sold it to Moore & Cason of Bartlesville.

Fla. Wind Rate Hearing Friday

Commissioner Larson of Florida has called a hearing at Tallahassee for Friday on the filings of Florida Inspection & Rating Bureau for increased windstorm premiums for properties lying east of the inland waterway in Brevard, Indian River, St. Lucie, Martin, Palm Beach, Broward, Dade and Monroe counties.

Mr. Larson has now given official approval to the fire insurance rate reductions throughout the state on department houses with five or more units, dwellings designed for occupancy by two or more families and tenant-occupied one-family frame houses.

Ark. In-State M.L. Accounts Will Be Processed There

LITTLE ROCK — Arkansas Inspection & Rating Bureau has announced that all accounts written under M.L. forms 1 and 5 and involving less than 20 locations, all in Arkansas, will henceforth be processed by individual company offices or their Arkansas field men directly with the Arkansas bureau instead of clearing the same through Multiple Location Service Office as formerly.

The bureau will require the same agent-of-record and appointment-of-filing company papers to be completed and filed with the bureau as in the past. On receipt of these applications, the rating division will quote the average rate by letter, in most cases on the following business day. The bureau is prepared to give the same service to accounts using the independent plan.

Walter Plangman, manager, pointed out that the new procedure will speed the handling of applications for average rates on accounts involving only Arkansas locations and also will make work of the audit division easier.

Allows 5% Deduction

The new bureau ruling ends complaints raised within recent months by many Arkansas company men and local agents that the procedure of applying for average rates through M.L.S.O. when accounts involved locations only in Arkansas was cumbersome and time-consuming.

In another change, the Arkansas bureau now permits a deduction of 5% from the net 90% rate on contents for full insurance to value when written as specific policy with 100% contribution clause attached, or with single state form A attached, or with M.L. form 1 attached. The 5% deduction applies only to those classes in which the specific contents fire rate is otherwise eligible for attachment or the 80%, or 90% contribution clause.

Certain clauses, however, specifically are excluded from this 5% deduction. They include cotton, baled or unbaled, and cotton linters; cotton products on gin or farm premises; grains and soybeans; vegetable oil in tanks, oil distributing stations; machinery in any class of risk; and contents of gins and electric generating stations. The 5% deduction applies to contents rate for fire, wind, extended coverage and sprinkler leakage perils, effective from and after July 26.

Ends Apparent Discrimination

This 5% rule for full insurance to value is the outgrowth of a considerable debate for several months over the apparent discriminatory position enjoyed by M.L.S.O. and independent multiple location rating plans over regular

I.E.A. Committee Considers Question of Flood Insurance

Thorough Study Promised at Meeting with N.A.I.A. Subcommittee

NEW YORK—The forms committee of Insurance Executives Assn., meeting here with a subcommittee of National Assn. of Insurance Agents, indicated that thorough consideration will be given to the national aspects of flood insurance.

Doubt was expressed that companies could write such coverage, but the study that is planned will be a searching one, and it is hoped that in due course companies will reach a decision, a decision well buttressed with facts.

William J. Welsh of Kansas City presented the idea of flood coverage being written by private insurers, possibly through the extended coverage. Other agents attending were Arthur M. O'Connell, Cincinnati; Maurice Hartson, New Orleans; M. V. V. White, Allentown, Pa., and Arthur Zimmerman, Newark.

The other major topic of discussion was the additional extended coverage. Some agents have indicated a desire for changes but it may be the practical course to wait for some experience under the form before any revision is undertaken.

Arkansas single state rules. When the two new plans were introduced, the bureau interpreted their 5% credit for full insurance to value as an across-the-board proposition, applying to all classes irrespective of whether or not such classes normally were eligible for contribution treatment. At the time, bureau rules permitted no such 5% reduction under Arkansas' single state rules. As a consequence of this situation, plus the fact that both new plans permitted use of the term rule and computation of deposit premium on average values rather than a percent of limit of liability, practically all intrastate reporting accounts of two locations or more were being siphoned from single state coverage into either the M.L.S.O. or independent plans.

The bureau's new 5% deduction rule largely eliminates the inequitable treatment to single state business since this rule applies to all contents coverage, where eligible, including accounts written under M.L.S.O. and independent plans as well as those written specifically with 100% contribution or under single state rules. Had the discriminatory position enjoyed by the two new multiple rating plans not been corrected in some manner such as this, the entire matter would have eventually exploded in the office of the insurance commissioner who, since the revised filings for M.L.S.O. were made April 24, has had the situation under study.

North America in France

North America announces its entry into France with the appointment of H. R. Sprinks & Cie as general agents at 8 Rue de la Bourse, Paris.

Argonaut Underwriters, San Francisco, has named J. P. Taheny vice-president. George B. Hill and Lester R. Hill have been named assistant secretaries.

About 2% of Kansas Flood Loss Insured

Loss Expected to Run Approximately \$15 Million, Mostly Inland Marine

No reliable estimate of insured damage resulting from the floods in Kansas is to be had as yet. Adjusters who have visited the area describe it as one of the worst situations they had ever encountered, with miles of property along the river in ruins and records destroyed. In a general way, it is believed that approximately 2% of the total damage is insured, and that amount would be roughly \$15 million.

Of this total, about \$3 million will result from the flooding of the TWA modification base, another \$2 million will be for grain flooded in railroad cars; \$2 million for fire loss for properties in the Fairfax industrial section of Kansas City, Kan., with the remainder stemming from automobile losses and miscellaneous marine contracts such as bailee policies, contractors equipment floaters, installation policies, truck cargo.

Many Adjusting Problems

Nearly every loss in the flood is more difficult to adjust than would be a fire loss under the same policy. In many cases the records of the insured are gone and sometimes the agent's records also are missing. The adjusters are having an especially hard time with the railroad losses in that they are sometimes unable to find the cars. The railroads tried to evacuate Kansas City and put all the cars they could get their hands on to the first locomotive in sight. Shipments that have not reached their destination are assumed to have been damaged and are being reported

as losses, and yet may never have seen any water. A carload of goods from New York to California routed through Kansas City may be in Milwaukee or New Orleans, and be reported as a flood loss at the same time.

Other cars that were damaged by flood have been removed and sent to their destinations, and the adjusters are looking for them in Kansas City.

By far the heaviest loss resulting from the Kansas floods will be under inland marine policies. The aspirin will be needed chiefly for the grain losses involving 1,500 railroad cars in Kansas City, estimated at \$4,000 loss per car for a total of \$6 million. There are about 400 insured carloads of grain representing a loss of approximately \$2 million, but that loss will be reduced since it was discovered there is some salvage to be had.

Use Grain for Restricted Purposes

The adjusters and the grain men got permission from the government to use the flooded grain for restricted purposes such as in making industrial alcohol, and a market was established. Once the trading began, the price tended to go up, and is now 30% above the figures quoted originally.

This is a bright spot in what otherwise is a sorrowful loss adjustment problem. Although the grain men have cooperated wholeheartedly with the adjusters and have earned the gratitude of the insurance people for their response to the flood situation, the grain losses are extremely involved as to the question of title. The shipper and the consignee in many cases are both filing for loss, in good faith, in order to protect themselves. If the grain happened to have been sold by the trader while in transit, the picture is even worse. In a few instances it was even resold. If both the shipper and consignee had insurance, the problem is a family matter, but if either the buyer or seller was uninsured and is disclaiming ownership so that the insured party can col-

(CONTINUED ON PAGE 15)

Okla. Raises Questions on Two Important New Filings

The Oklahoma State Insurance Board has raised questions about the proposed elimination of unearned premium insurance in connection with the filing of the automatic reinstatement program. The board has addressed Oklahoma Inspection Bureau, stating that due to the peculiarities of the fire insurance policy under which the entire unearned premium is considered wholly earned in the event of a total loss, unearned premium insurance serves a real need.

Many property owners desire to insure against loss from this cause. It is logical to insure a premium which is subject to loss as well as the property itself. This is particularly true when the insured pays cash in advance on a three or five year policy and the premium is sizable. The use of the rule is not mandatory, the insurance board states, and it appears no harm would be done by allowing the rule to remain.

Makes Comparisons

The board goes on to state it is the practice in other kinds of insurance to allow a return premium for the unexpired term upon cancellation of the policy, even though a total loss has occurred. It is becoming the practice in life insurance to allow a return premium if the policy matures between premium payment dates. In fire insurance, rates and premiums are quoted by the year or for a term of years and the public is not accustomed to the practice of reducing the amount of insurance by the payment of a loss to the extent of such loss or considering the unearned premium as fully earned in the event of total loss.

There arises a question, the board says, as to why there should not be provided a procedure under which the insured would be allowed the return premium applicable to the amount of loss for the unexpired term of the policy unless within 60 days following the loss, the insured is notified of the reinstatement of the cover to the full amount of the policy. This rule, the report states, is followed in the southeastern states, in Texas and in some of the coast states. Some provision should be made in Oklahoma for the payment of return premium as though no loss had occurred the same as in these other states and as in other lines of insurance, if it is desired to discontinue unearned premium insurance. Otherwise there would be a discrimination between Oklahoma and those states in which it is provided that a refund of the unearned premium on the amount of the loss shall be paid unless the full amount of the insurance is reinstated.

Renewal Plan Issue

The actuary of the state insurance board has also raised some questions about the filing of the annual extension (renewal) plan option. The state actuary declares that in all principal elements this is a straight annual renewal plan, and declares this is a modification of the straight one-year policy and involves a discount of the annual rate. Under the annual renewal plan, he declares, the policy is written for a term of one year and by endorsement the insured is granted the option of annually having the policy renewed by certificate for the ensuing year upon payment of a discounted annual premium. Each successive year of coverage represents a separate one-year policy contract. In all respects, the annual renewal plan policy is treated exactly as any other annual policy. Policies issued under the annual renewal plan do not rest upon the term rule, but are based upon a discount of the annual rate after the first year. The renewals constitute a series of consecutive one-year policies, and the renewals are written at a premium calculated at the rate in effect at the time of each renewal.

Inquiry is therefore made as to the reasons and basis for inserting the word "extension" in the name of the plan and the forms proposed to accompany it.

On the other hand, there is the annual extension plan under which the policy is written to afford the insured the opportunity annually of converting the policy

into a term policy, and that option is set forth to the policyholder when the policy is written. Annually, the policyholder may exercise his privilege of converting the policy into a term policy. At the end of the first year, he may choose to convert the policy into a two-year term policy. At the end of the second year, he may exercise his privilege to continue the policy for another year, and thereafter, convert it into a three-year term policy, and at the end of the third year, he may extend it into a four-year term policy, etc., until the end of the fifth year. The policy is extended for successive one-year periods upon payment by the assured for each such period of a premium calculated at an appropriate percentage of the rate in effect at the time the policy was originally issued or subsequently endorsed according to the provision made for converting the policy into a term policy.

In the first year any increase or decrease on the amount of insurance under a policy issued under the annual extension plan is treated on a one-year basis. In the second year, any increase or decrease in the amount of insurance is treated as it would be under a two-year term policy. In the third year, the policy is considered a three-year term policy and so on.

Two Different Plans

As will be seen from the preceding paragraph the annual extension plan differs materially from the plan that is proposed. The plan which has been proposed does not embrace any of the features of the extension plan. It is therefore a little difficult to see why a plan which is not an extension plan should have the term "Extension" applied to it, the statement says.

From the foregoing it is evident that the annual renewal plan and the annual extension plan constitute two separate and different plans. Each has been in operation in Oklahoma for considerable periods of time. Inasmuch as the term "Extension" has been appropriated and allocated to the extension plan, it would create no end of confusion to attempt to use the same term in connection with another plan which is not an extension plan.

Requirements Set Out

Inasmuch as under the annual renewal plan, each policy year constitutes a separate and distinct contract, the renewal certificate should contain the attestation clause and bear the facsimile signatures of appropriate company officers the same as the original policy. Each renewal rests upon its own in so far as rates, premium, amounts, etc., are concerned; the renewal certificate being a re-execution of the original contract in other respects. The renewal certificate which has been proposed is incomplete in that it does not make provision for insertion of all the information necessary. The minimum information for which provision should be made is as follows:

Number of policy and date of original issued, name of insured, period for which the policy is renewed, location of the property, construction, occupancy, Amount of insurance for the several perils on each item at the time of renewal, rates at which renewal premium is computed, numbers of forms on original policy, items number covered, coinsurance, if any, name and address of mortgagee, if any.

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Cothran Reviews Progress of Hospital Inspections

The hospital inspection program, devised by and being executed under the supervision of National Board, is expected to be completed this year, Perrin C. Cothran, vice-president of the Phoenix-Connecticut group and chairman of the National Board's special committee on hospitals and committee on adjustments, told International Assn. of Fire Chiefs at Grand Rapids.

However, there are literally hundreds of so-called maternity hospitals, rest homes, convalescent homes and like institutions operated by private individuals which have not been included in the program, Mr. Cothran said. He asked the continued assistance of fire chiefs in listing and inspecting such homes, usually converted dwellings, that are not on the National Board list, and follow up on the inspection work with respect to major and minor hospitals, paying particular attention to converted risks of all kinds where the sick, aged and infirm are housed.

Collier's Article

He called attention to the July 14 issue of Collier's which carried an article under the scarehead "Our Fire-trap Hospitals." Mr. Cothran thinks the heading was unnecessarily alarming, but no doubt it was aimed at securing readers' interest and should prove helpful in securing support for fire prevention work in hospitals.

However, he noted the article said that a large part of the expense of the hospital inspection program, estimated at \$2 million, was carried by the fire and casualty insurance companies. The truth is, the entire financial load of the work is being paid out of the pockets of stockholders and policyholders of those companies.

In addition, the article should have put some emphasis on the fact that the entire thinking behind the program is non-commercial, he added. There is not the slightest regard to any commercial interest. Insurers responsible for the inspection work thought that the loss of life in hospital fires was a national disgrace and believed that something should be done to reduce if not eliminate these tragedies.

About 85% Inspected

About 85% of all hospitals in the U. S. have been inspected. In many instances recommendations made by inspectors have been carried out in full or in part. About 300 institutions have installed sprinkler protection as a result of the suggestions made by the inspectors.

He called attention to a matter of real urgency, possible atomic bomb attack, and asked what had been done by the fire chiefs to prepare themselves, fellow citizens and hospital personnel to meet the emergency. It is nonsense to think that the world will be destroyed and all mankind eliminated by the use of the atom or hydrogen bomb, Mr. Cothran thinks.

A large segment of a city may be destroyed, however, and that possibility must be faced with a well organized plan for rescue parties to take care of injured personnel and similar groups to prevent the spread of fire. An organization should be perfected before the tragedy occurred. He thinks the planners should know the capacity of hospitals in their locality, what emergency arrangements have been made for additional cots and beds in other hospitals or warehouses in case of need, what municipal authorities are doing, what plans have been made and how they will be executed, who will be in charge in case the fire chief and his staff or the police chief and his staff are wiped out, what effort the state administration has made toward coordinating the problems, etc. Every hour is valuable, he warned.

Many fire chiefs, especially those

charged with meeting expense out go, asked why it is that repeated requests made to fire insurers for help in buying equipment or contributing to the expenses are declined. Mr. Cothran said that taxes of a sales tax character paid by the fire and casualty companies amount to more than \$100 million a

year, paid whether a profit is made or not. If a profit is made, an additional federal tax absorbs just about half of it.

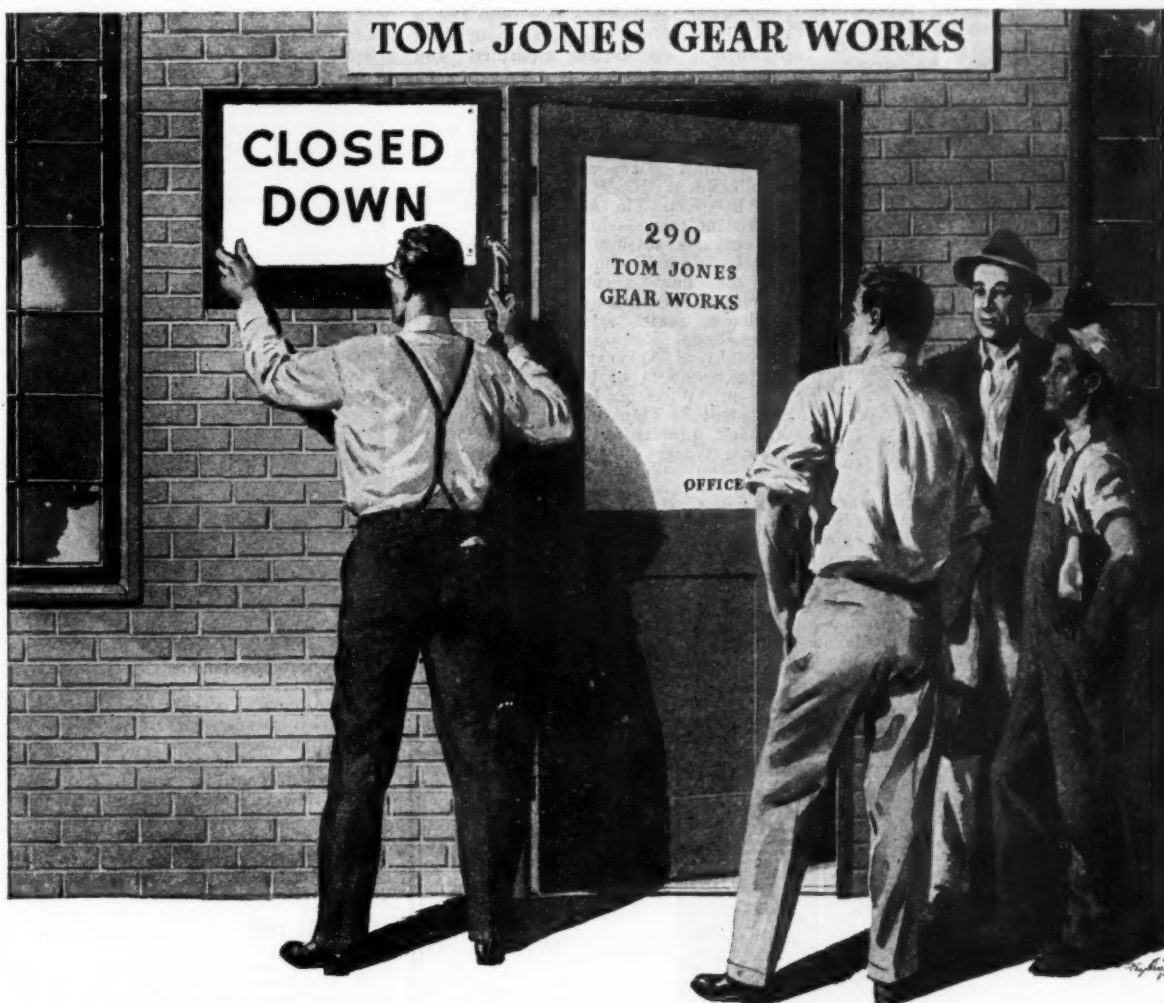
The majority of responsible fire insurers believe that paying a huge tax bill is a full contribution to the maintenance of fire departments. Further, a donation of this kind imposes an additional burden upon the property owners who insure. Fire insurers merely spread the fire losses of the unfortunate who suffer loss over the vast premium paying public.

L. H. Bowers Fireman's Fund General Adjuster

Lawrence H. Bowers has been appointed general adjuster in charge of the fire and marine loss division of Fireman's Fund in the Chicago western department. He has been with America Fore a number of years.

N. Y. Licenses MPIRO

The Multiple Peril Insurance Rating Organization has been licensed by the New York department.



Tom Jones hadn't heard about CONTINGENT U & O... didn't realize that the fire that cut off his supply of vital materials could be as disastrous as a fire in his own plant. He had plenty of fire insurance on his own shop but now a fire at the location of his principal supplier had shut down Tom indefinitely. There must be plenty of prospects in your community, particularly small manufacturers whose source of supplies or whose principal market might be cut off because of a bad fire, explosion or windstorm. Many prospects are not aware that this type of coverage is available. You'll be doing them a

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U. S. Protection & Indemnity Agency of New York has elected Capt.



E. C. Holden, Jr.

Edward C. Holden, Jr., U.S.N.R., as a vice-president. He has been with the agency since 1930 as head of its safety program for the benefit of the assured of the companies represented by M.O.A. During the first war he served in the navy and was promoted to ensign. In the merchant marine, he saw service on all ocean trade routes. During the second war he held top administrative and combat commands with the navy in overseas service. He was awarded the legion of merit with combat "V" for exceptionally meritorious service against enemy forces during amphibious assaults throughout the Philippine invasions and at Okinawa while serving as commanding officer of the U.S.S. Starlight, an attack transport. Later he was ordered to commission and command the U.S.S. Admiral Wm. S. Sims, a super transport of the Pacific fleet.

He is president of Council of American Master Mariners; past general chairman of marine section National Safety Council, and past commander of the Robert L. Hague Merchant Marine Industries post, American Legion.

Phoenix Grants Scholarship

Phoenix-London group has granted a fellowship to Hans Janssen, professor of economics at Yankton College, Yankton, S. D. Dr. Janssen in August is

studying financial, accounting and other details of the operation of the property and casualty insurance business at the head office of Phoenix, and his later plans include the organization of C.P.C.U. study groups in South Dakota.

Program Ready for Wash. Agents Aug. 19 at Tacoma

The program has been completed for the annual convention of Washington Assn. of Insurance Agents at Tacoma, Aug. 20-21. There will be some preliminaries on Sunday, Aug. 19, with registration, committee meetings and a cocktail party for the local association presidents, committee chairmen and state officers.

Lead-off speaker at the business session will be Melvin J. Miller, Fort Worth, president of the National association. At the afternoon business meeting committee reports and the report of President H. P. Sargent, Seattle, will be given. The new officers will be elected at this session.

Tuesday's session will start with a talk by Commissioner W. A. Sullivan on the new agents', brokers' and solicitors' licensing program. Robert D. Williams, Seattle attorney, will discuss "The Legal Responsibility of Operating a Local Agency," and W. J. Reynolds, president of United Pacific, will talk on "What an Insurance Company President Is Thinking About." Kimball R. Jack, advertising manager of Washington Water Power Co., will speak on "Sizing up the Prospect." In the afternoon there will be a golf tournament and a boat trip for the non-golfers.

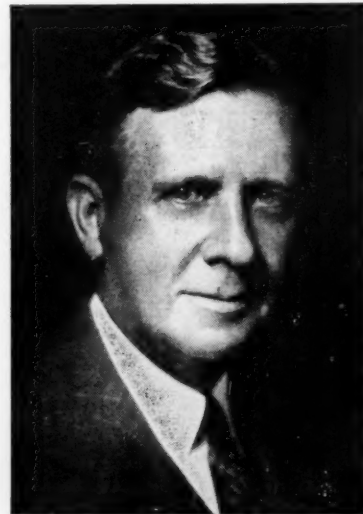
Benton County Group Elects

Scott Williams has been elected president of Benton County (Ore.) Insurance Agents Assn. Harold Nelson is vice-president; William Parker, secretary.

Charleston Agency at 75-Year Mark

The Patterson, Bell & Crane Co. agency at Charleston, W. Va., is marking its 75th anniversary and it has gotten out an attractive, well-illustrated booklet on the occasion. For 52 years David W. Patterson was the connecting personality between the original agency which he started in 1876 and the present company. He continued to be active until his death in 1928.

F. R. Bell, the president and treasurer, is a former president of National Assn. of Insurance Agents and has exerted a continuing influence in agency affairs both in his state and nationally.



FRANK R. BELL

He got into the business at Thurmond, W. Va., in 1907 as manager of New River Agency Co. that had just been started by interests identified with New River Banking & Trust Co. In 1911 the offices of that agency were moved to Charleston and in 1914 J. T. Crane, who is now vice-president and secretary of Patterson, Bell & Crane, joined Mr. Bell in the management of the New River agency. In 1918 they bought control of the agency and changed the name to Bell & Crane.

Merger in 1922

In 1922 there was a merger of the Bell & Crane agency and the agency that had been started by Mr. Patterson in 1876, and which in 1922 was known as the Lohmeyer, Goldsmith, Patterson Co. Following Mr. Patterson's death in 1928, Mr. Bell and Mr. Crane purchased his interest as well as that of all other stockholders.

Other important factors in the agency are Frederick Lively, casualty manager, who has been with the organization since 1922; Frank R. Bell, Jr., fire and casualty underwriter; J. T. Crane, Jr., presently a major in the army; Elder D. Ziegler, assistant fire underwriter, and James A. Stogden, assistant casualty underwriter.

There is reproduced in the anniversary booklet an 1876 map of Charleston, and there is an historical view of the city. There are listed the companies represented in the agency, giving their assets and policyholders' surplus.

New Ark. Bureau Service

LITTLE ROCK — Arkansas Inspection & Rating Bureau soon will distribute to agents and company offices a forms book and policy writer's guide, in connection with inauguration of use of the one-write Louisiana type policy in Arkansas. They will show, by text and appropriate illustrations, the correct way to prepare the new one-write policy and will contain copies of new Arkansas forms. As new and revised forms are published, sample copies with bureau comments will be supplied for

insertion. Additional subjects, such as functions of the bureau and general information normally not included in the Arkansas rule book, will be included at a later date.

Distribution to agents will begin about mid-September. It is hoped that the policy writers section, by outlining correct methods of policy preparation, will help reduce the annual number of non-approvals on policies which the bureau issues. At present, about 9% of all daily reports and endorsements are non-approved.

Miami Hotels Will Fight Hike in Windstorm Rates; Start Raising Defense Fund

MIAMI—At a general meeting of Miami Beach Hotel Assn. at the Delano hotel, it was unanimously decided to impose an assessment on members to raise a defense fund to fight the proposed hike in windstorm rates.

Ocean front hotels will chip in \$2 per room, and others \$1 to hire experts to assist Harry Cohen, chairman of the insurance committee, in presenting the hotels' case to Commissioner Larson.

Insurance companies have asked an increase of 80% in rates, with the option of excluding outside structural damage or imposing a 5% deductible clause to replace the present \$100 deductible. These increased rates are asked for the highly exposed area of southeast Florida between the inland waterway and the ocean.

Mr. Cohen says that in the opinion of the hotel men, the singling out of this area for a big raise in rate is highly discriminatory and contrary to the practice of free enterprise.

"If the hotels banded together to keep up their rates, we would be prosecuted under the anti-trust laws," says Mr. Cohen. "Yet the insurance companies have gotten together to raise their rates under threat of refusing to accept business. It seems most unfair that insurance companies are permitted to pick the cream of the business in Florida and refuse the rest except on their own terms. It is our belief that if the insurance companies withdraw from the high hazard area they should be forced to withdraw from the entire state."

Mr. Cohen said that in event the proposed rates are accepted or the companies withdraw, his association will attempt to place their business with reciprocals or non-admitted carriers. If this does not work, the next step will be to appeal to the federal government to declare the beach a disaster area in case of a storm, and to step in and help the situation.

Courses at U. of Okla.

Courses in agency management, inland marine and general liability will be offered members of Oklahoma Assn. of Insurance Agents in the insurance school at University of Oklahoma, Norman, Nov. 14-16.

Clarence R. Rauter, director of education and research of N.A.I.A., will be on hand the entire three days. Local agents serving as co-directors will be J. J. Quinn, Bartlesville; Homer W. Peay, Ada, and Claude McMasters, Sapulpa. Dean Horace Brown of the college of business administration and John Freeman of the extension division of the university, will supervise the course.

U. of Ill. Short Course Set

The first part of the University of Illinois insurance short course for 1951-52, covering fire and allied lines, will be held Sept. 17-21 at Robert Allerton Park, the university's country conference center near Monticello.

The course, designed to acquaint agents with basic principles and to introduce them to new aspects of insurance, is presented in cooperation with Illinois Assn. of Insurance Agents.

The fee is \$20 for each one-week session, plus room and board.

Tells Reviv

The following of the insurance industry contained in Ishii, Yokohama, reinsurance, Chadwick, a Mutual, New Chadwick, the former on reinsurance dealing with Cargo War in the second in the insurance, "in the Chadwick's Mr. Ishii Since the life insurance on their business and reconstructions which had Pacific war cities and raiding during insurance offices and desiring country.

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American Equitable Assurance Company of New York
Organized 1918

Globe & Republic Insurance Company of America
Established 1862

Merchants and Manufacturers Insurance Company of New York
Organized 1849

New York Fire Insurance Company
Incorporated 1832

Corroon & Reynolds, Inc.
MANAGER

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Losses paid exceed Three Hundred Fifty Million Dollars

Tells How Insurance in Japan Has Revived Since the End of Second War

The following comments on aspects of the insurance situation in Japan are contained in a memorandum from Y. Ishii, Yokohama insurance adviser and reinsurance intermediary, to Donald H. Chadwick, assistant secretary of Atlantic Mutual, New York. Mr. Ishii and Mr. Chadwick got into correspondence after the former saw a reference to an article on reinsurance Mr. Chadwick prepared, dealing with operations of the American Cargo War Risk Reinsurance Exchange in the second war. This led to publication in the Japanese magazine, "Insurance," in the Japanese language, of Mr. Chadwick's paper.

Mr. Ishii writes: Since the termination of war, the non-life insurance companies in Japan kept on their best effort for rehabilitation and reconstruction on their business which had been the victim of the misled Pacific war. In fire insurance, the most cities and ports were devastated by air raiding during the war, and the fire insurance offices felt shortage in massive and desirable risks throughout the country.

Lost Most of Ships

In marine insurance, we lost the majority of our ocean-going vessels and the marine underwriters had to carry on business amidst the sleeping situation of marine transportation.

They have, however, made strenuous efforts under these unfavorable conditions, for the growth in the future, in cope with the nation's dauntless endeavors for economic reconstruction and creation of peace-loving country under democratism which the latter promised to achieve, to the Allied Powers.

In this connection, inflation of currency which attacked Japan immediately after termination of war rather favored our fire and marine insurance companies, together with the speedy progress of rebuilding of cities and vessels; the insurance amount and premiums naturally increased rapidly during the two years of inflation, but at the same time there appeared an enormous increase in management expenses as well. For example, the average salary of the employees of our non-life office went into an average of 10,000 yen per month which had formerly been an average of 100 yen. In addition to the increase in management expenses, loss ratios went high up in ensuing years down to 1948, the main cause of such big claims being the conflagration in several cities and the heavy losses of frame buildings newly erected.

Dividends Renewed

Fire and marine offices could not make any dividends to the stockholders for three years, but they made tariff revisions to meet the situation, and upon the good effect of ceasing the inflationary trend by operation of Mr. Dodge's clever financial principle, the general economic status came to be stable, and our non-life offices were able to revive dividend payment to stockholders, ranging from 6% to 12% in 1950. All of them increased the capital and strengthened the financial power the same year.

In the fall of 1945, the American International Underwriters Corp. came over to Japan to protect U. S. interests on these four islands, but afterwards were allowed to sell policies on Japanese risks. In August next year, the British Insurance Group, then representing six British and Australian insurance companies came, and now this group are representing 24 companies and carry on non-life business under the supervision of Japanese finance minister.

Besides these two groups, there are several foreign companies operating at present, such as the Home Fire, the Continental, the Great American Group, etc., but no French or Italian.

By the end of March this year, the Japanese non-life offices withdrew their capital share of the Toa Fire & Marine Reinsurance Co., Ltd., and waived the

compulsory pooling system of every risk in all lines of non-life insurance through the Toa. This is due chiefly to the final decision made by the Fair Transaction Committee, on the ground that the compulsory pooling is violation of provisions of the anti-trust law which was promulgated soon after Japan's surrender, but the general change of situa-

tion that Japanese companies would be able to exchange reinsurance business, either facultative or treaty basis, with companies in foreign soil and Lloyd's is also attributable.

Really, most home offices began reinsurance business rather tentatively on April 1, 1950, and have increased the share as from April 1 this year.

I am especially pleased to see such movement, since I am always of opinion that there is no boundary between nations for the sacred business of insurance. I also have been able to place

some lines with my friends at Lloyds and others during these years.

If I mention the names of Japanese non-life offices who have surmounted the years of après-guerre difficulty, they are as follows: Tokyo M.F., Yasuda F.M., Mippon F.M., Dowa F.M., Taisho M.F., Osaka Sumitomo M.F., Nissan F.M., Chiyoda F.M., Michido F.M., Kowa M.F.T., Nisshin F.M., Fuji F.M., Kyoei Mutual F.M., Dai Tokyo F.M., Daisei F.M., Toa F.M. Reinsurance. They are 16 in number, but they are companies who made a big merger dur-

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ing wartime, comprising about 50 companies, with the exception of the Kyoei Mutual and the Toa Reinsurance.

In addition to these companies the following four non-life offices appeared on the stage in these years as the new-comer: Daiichi (The First) F.M.; Toyo (The Orient) F. M.; Taiyo (The Sun) F.M.; Asahi (The Morning Sun) F.M. So we have now 20 non-life insurance companies. Also I must add here that both municipal authorities of Tokyo and Nagoya are having a project of forming a stock non-life office, respectively, with a capital of 50 million yen to be operated chiefly on fire insurance in each district. There are pro and con on these projects, and I can't foretell whether they will come to a successful issue or not.

With the increasing activity of foreign insurers domiciled in Japan, there is already signs of competition among home and foreign offices, particularly in marine business, but I feel rather pleased to see their activity, since the free competition is the way to improvement and success in every industry. We must welcome new foreign commerce.

Plan F.P. Program in Wis.

MILWAUKEE — The fire prevention committee of Wisconsin Assn. of Insurance Agents at a meeting here recommended that every local association and board in Wisconsin subscribe to a membership in National Fire Protection Assn. Memberships for local fire departments and for sizable risks also were recommended.

A fire prevention poster contest to be sponsored by local agencies or the local boards among 8th to 12th grade students of Wisconsin schools, as part of the Fire Prevention Week program, was also advocated. H. A. Solander, Wausau, committee chairman, explained the Wausau poster program of last year.

Cincinnati Inland Marine Course

A course in inland marine insurance sponsored by Cincinnati Fire Underwriters Assn. will be conducted at University of Cincinnati beginning Sept. 27 by Ralph Fey, Cincinnati agent. Mr. Fey was one of the first agents in the country to receive the C.P.C.U. designation and has taught this course for several years.



Eizaburo Honde (right), scientific adviser to the national fire defense board of the Japanese government, and George J. Malloy, chief engineer of Travelers Fire and Charter Oak, discuss fire prevention engineering at a meeting at Travelers home office at Hartford. Mr. Honde is touring the U. S. under sponsorship of the Department of the Army and will observe fire prevention in industry and at state and municipal levels. He was educated at Oberlin College, Ohio, and at Edinburgh University.

Wm. Penn Fire Future Linked to Doeskin Bonds

HARRISBURG—Any reported surplus of William Penn Fire would hinge on the controversial value of nearly \$1 million in bonds of Doeskin Products Corp., which have not been evaluated by the Pennsylvania department in proceedings which have closed down William Penn as an operating company.

William Penn has not written any new business since July 13, 1950, when the Pennsylvania department suspended its operations pending an investigation. On Nov. 27, 1950, a reinsurance plan was approved by the department.

A department official, however, said the company has not yet paid all of its liabilities incurred prior to the final

reinsurance of its business on Dec. 1, 1950. The outstanding liabilities, however, are expected to be cleaned up in about two months.

There have been rumors that the company may reenter the insurance field as a reinsuring company. It is not regarded as likely that it will reenter the field as a direct operating company.

The Doeskin securities of indeterminate value were given a new lease this year when the corporation redeemed the bonds as they matured. A court settlement on the validity of the bond issue is also regarded as a possibility.

Court Interprets Sense of "Insured Value" Phrases

The question of what constitutes a "valued" contract of insurance is often difficult to determine. It is often important to insured since it relieves him of the burden of proving value in the event of total loss. The most recent case where this question was paramount involved a jewelry-fur floater covering a pearl necklace whose "insured value" was listed in that portion of the policy entitled "schedule of articles insured" as \$5,000.

Whether the words and figures "insured value—\$5,000" had any real meaning was the question. The court noted that two meanings suggest themselves. First, it means the value of the insured

article up to which the insurer has agreed to provide indemnification—that is, maximum value. Second, more natural and obvious, is the value at which the article is insured. The court observed that no effort at construction is required to understand this latter interpretation of the phrase, and it is harmonious with the plain meaning of the language. It specifically stated that in the absence of a technical distinction, there could be no difference between "value," "valued at," "valuation," or "insured value" when used in the same general context.

As is generally known, there is nowhere in this policy a limitation on the amount of the recovery to actual cash value of this single insured article, or any provision setting forth any standard by which the amount of the loss is to be ascertained, or any provision indicating that proof should be offered as to value in case of loss. In fact, as the court pointed out, it is entirely reasonable to suppose that the parties actually intended to avoid disputes over the very different question of value in the event of loss. The case presents an excellent analysis of this type of policy and should be examined by agents to avoid unnecessary confusion in helping to adjust losses. It is *Gerhard vs. Boston Ins. Co.*, decided by the U. S. district court of eastern Pennsylvania.

Contract Violation Charged

Waldo C. Friedland, local agent of Menasha, Wis., has been made defendant in a \$10,000 damage suit brought by the D. & H. Insurance Agency, and Bellack Insurance Agency, Neenah, contending that Mr. Friedland has violated a contract with the Bellack agency which acquired the Friedland agency in 1948. The D. & H. agency, in turn, bought out the stock of the Bellack agency in 1949, but has not dissolved that corporation. The plaintiffs contend that Mr. Friedland was paid \$12,000 for his agency and that under the contract he was not to actively solicit insurance in Menasha for five years from Aug. 31, 1948. The agencies ask \$10,000 for loss of commissions and damage to the goodwill purchased with the Friedland agency by Bellack, and maintain the contract carries over to the D. & H. agency through its purchase of the Bellack agency. Friedland contends there was no successor clause in the contract with Bellack, and also contends he has not actively solicited any insurance business. Circuit Judge Arps at Oshkosh issued a temporary injunction restraining Mr. Friedland, his attorneys, agents and servants from actively soliciting insurance at Menasha.

James C. Cooper, Jr., Henderson, N. C., local agent, has been appointed by Governor Scott to the commission which will supervise the development of a recreation program for the reservoir formed by the government's flood control and power dam at Buggs Island.

First Six Months' Results Are Given

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31 1950	Premiums First Six Months 1951	Written First Six Months 1950
American Employers ..	36,360,248	10,055,666	-217,103	11,180,803	9,611,316
American & Foreign ..	17,355,641	6,632,640	-402,747	4,461,152	3,244,089
American States	14,578,022	3,968,417	156,592	6,761,940	6,255,195
Cal. State Auto	16,184,320	4,331,131	-238,398	5,899,142	5,392,563
Chicago Motor Club ..	12,982,311	1,669,133	-92,711	4,836,969	4,726,233
Employers' Liability ..	85,546,480	21,472,625	-233,538	25,933,732	23,047,985
Farm Bur. Mut. Ind.	6,880,144	2,863,661	183,266	3,450,550	2,755,796
Fireman's Fund	177,282,295	76,589,651	-1,269,878	37,118,789	32,248,477
Founders, Cal.	8,199,728	1,434,325	-509,702	3,282,656	2,927,117
General Exchange	115,899,871	33,656,078	4,209,001	38,917,074	59,995,679
Globe & Rutgers	21,240,086	10,499,886	-44,514	3,957,042	3,723,330
Globe Indemnity	75,693,377	22,421,340	-3,291,368	21,273,590	20,161,294
Great American Ind.	50,887,676	14,932,146	-1,435,803	16,040,211	14,719,227
L. & L. & G.	37,911,482	12,942,053	-729,338	10,370,935	7,546,242
London Guarantee	28,364,091	9,094,973	300,428	7,144,692	7,387,734
Motors	38,840,845	11,450,834	1,528,694	12,000,164	16,704,541
Pacific National Fire ..	34,160,964	13,782,757	72,463	7,446,258	6,081,485
Phoenix Indemnity	18,447,777	4,826,652	125,955	6,891,162	5,317,057
Queen	57,213,380	20,923,095	-1,050,494	15,041,879	10,862,480
Royal Indemnity	82,569,546	23,917,702	-3,411,621	23,396,099	18,595,495
Service Casualty	26,661,792	7,962,785	577,853	8,566,812	10,016,950
Service Fire	56,663,233	15,665,444	610,470	16,132,850	19,715,289
Star	17,423,249	7,988,884	185,883	2,370,641	6,112,379
State Auto, Ind.	15,304,828	6,848,471	263,693	5,050,855	4,726,568
State Farm Mut. Auto.	158,127,036	68,379,673	6,689,618	53,679,147	44,773,191*

*Excluding membership fees.

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FTC Man on Insurance Mission

A representative of Federal Trade Commission has been visiting Chicago insurance company offices in recent days on a similar mission to that of another FTC man who made the circuit a year or so ago. He is inquiring about the lack of stomach that the fire insurance companies show for straight windstorm insurance in minimum amounts that are uneven so far as the primary fire insurance coverage is concerned.

This FTC man has asked some of the fire insurance executives whether the shunning of such windstorm coverage on the part of stock fire companies would not result in putting the mutual companies, particularly the farm insurers, out of business. When asked to explain the circuit that produced that question, he went on to say that farmers that get their fire insurance from mutual companies are usually compelled to seek stock company protection for windstorm and here they are met by a refusal to write windstorm insurance in small amounts. However, he opined if the farmer would get his fire insurance from the stock company he might be in a better position to ask for just a smidgin of windstorm insurance and this then might very well tend to take desirable fire insurance out of the mouths of mutual companies. Apparently this FTC man is looking for some evidence of cahoots on the part of stock companies to make windstorm insurance hard to get on what might be called the season ticket basis.

Highly Simplified War Damage Plan Advocated

George C. Johnson, president of Dime Savings Bank of Brooklyn, at a press conference, advocated an automatic plan for indemnification by the federal governments of all war-caused damage to homes, commercial structures and other facilities, without payment of premium. He theorized that one way or another the government will pay anyway for most damage and spread the cost over the whole country by taxes and that monetary payment for civilian losses is as much a part of war cost as munitions and a military establishment.

Administratively, he suggested, the insurance business could handle the claim payments. This blanket plan, he said, would be economical of manpower. He said that if it were necessary to write individual policies to protect mortgaged properties the personnel in the insurance department of every mortgage lending institution would have to be doubled. Some 27,000 man hours yearly would be needed to do the job for Dime Savings Bank. His plan, he said, would save untold millions of man hours and dollars.

If and when losses due to enemy action occur some procedure should be followed such as setting up an evaluation commission composed of insurance men in each community to pass upon the claim, compile information and handle the required forms for a nominal fee.

Would Fix Manufacturers' Output Policies' N. C. Status

RALEIGH, N. C.—Commissioner Cheek has called a public hearing for Sept. 18 to determine which rating bureau shall have jurisdiction over manufacturers' output policies.

At present these policies are designated as inland marine coverage, but the commissioner has been informed by the attorney general's office that continuation of this designation would mean that North Carolina Rating Bureau would have no authority to fix rates for the policies.

The hearing, Commissioner Cheek said, is being held to work out a "proper definition for inland marine insurance in North Carolina." Need for the definition has been made more pressing because companies recently have filed

output policies covering many types of products in addition to automobiles, which were the subject of the first output policies approved.

43-Year Ill. Inspection Bureau Man Is Retiring

John R. Kearns, a veteran of 43 years in the service of Illinois Inspection Bureau, and a man whose period of rating experience goes back even before there was such a bureau, is now retiring. He has been since 1933 superintendent of rating at the Chicago

headquarters of the bureau. He was born at Rockford, Ill., and his first experience was with Liverpool & London & Globe at Chicago. Then he went with Illinois State Board of Fire Underwriters and engaged in rating work for that organization. His next move was to Indiana Inspection Bureau and then in 1908 he went with the Illinois bureau. He was manager at Joliet from 1909 until that office was closed and transferred to Rockford in 1930 and he remained as the Rockford manager until he was transferred to Chicago in 1933.

Davis and Beard Are Miss. Finalists

Walter D. Davis and Isham Beard will lock horns in the Democratic runoff primary Aug. 28 for Mississippi insurance commissioner to succeed Jesse White, who took himself out of the running this time.

Practically complete and unofficial returns in what proved to be the elimination primary gave Mr. Davis 118,752 votes, Mr. Beard 93,912, Hugh Boren 75,027 and C. E. Oxford 56,964.



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On 2nd Million of Whys of Higher Auto Rates

NEW YORK—Although they came off the press less than a month ago, 1 million copies of a leaflet, "Here Are The Reasons Your Automobile Insurance Costs More," have already been distributed and another million copies are now being printed to meet the additional requests.

As part of its broadened public relations program, Assn. of Casualty & Surety Companies prepared a leaflet to acquaint policyholders with the reasons for the rate increases. Of convenient mailing size, the leaflet is being used by agents and brokers as an enclosure with new policies, renewals, bills, correspondence and other mailed material. Distribution to the producers is being handled solely through the member companies of the association and for this reason producer requests for copies should be made directly to the companies they represent.

Automobile insurance costs more, the mailing piece explains to policyholders, principally because of increases in the number of accidents, the costs of repairing cars and people, and the size of damage awards by juries.

Figures Set Forth

"Increased accidents plus increased costs equal higher rates," the leaflet states. "In 1950, more people drove more cars more miles at greater speeds than ever before—and had more smash-ups. The total of fatal and bodily injury accidents rose from 939,600 in 1940 to 1,206,800 in 1950—an increase of 29%. But that is only half the picture. In 1950, repair costs and medical charges continued to whirl upward, caught in the inflationary spiral. The bill for expenses developing out of accidents—parts, labor, hospital charges, medical fees and court awards—reached the \$3,000,000 mark. Since these are controlling factors, such an upswing has a strong impact on existing rates."

Policyholders are advised that since 1940 the average cost of settling claims for bodily injuries has risen 54.2% while property damage costs have climbed 124.7%. The average verdict during 1950 in some localities was more than 80% higher than in 1940. In 1940, a fender was just that and nothing more. Now a sizeable part of the side of the car, it includes a headlight or taillight. Yesterday's minor sideswipe is today's major repair job. Elaborate grillwork, curved windshields and tinted glass on newer models mean big replacement bills.

Because of car design and higher

labor costs, a front end replacement priced at \$100 in 1940 brings a bill of \$290 today, an increase of 190%, according to the leaflet, and a rear fender replacement which cost \$10 in 1940 brings \$90 today, an increase of 800%.

Many of the cars being driven today are unsafe. In 1940, only 17% of the cars in use were ten years old or more while today 42% are in that age group. In addition, today's cars are driven farther, the average lifetime mileage being estimated at 120,000, or 41% greater than in 1940. There are, it is concluded, million of cars on the road kept operating by constant repair.

"This year's accidents are a factor in next year's rates—and you can help reduce the traffic toll," policyholders are reminded. "Insurance companies are doing everything they can to help keep premium charges down by highway safety programs. They maintain competent accident prevention staffs of their own and wholly support or contribute to great national organizations which promote safety."

"The extent to which accidents are decreased will determine future rate changes. The cost of accidents is reflected in the insurance cost. In the final analysis, the man behind the wheel makes the rates."

Inflation Inclines Many to Selling in Spare Time

The inability of insurance offices to match inflation inroads with salary increases for personnel has resulted in the greatest number of full-time insurance employees in history being engaged during off-duty hours in selling insurance. Insurance department people feel that a greatly increased proportion of those taking out brokers' licenses are already employed in the insurance business and are writing brokerage as a side line. It is not uncommon in an insurance office to have every member of the staff from the top man down to the lowest paid female file clerk selling insurance on the side.

Part-time brokerage selling on the part of insurance employees is no longer frowned on by employers. As a matter of fact, in a number of instances insurance employers have advised employees to take the brokerage examinations and to supplement their salaries with selling on the side.

Conversations between employer and the employee often run as follows, with the boss speaking: "John, I'm sorry that I can't grant you that salary boost you asked for. We both know you deserve it, but the company just can't pay it. I know that you're having a



"NOW THEY'VE EVEN TAKE AWAY MY WHEEL CHAIR FOR CARELESS DRIVING."

tough time, what with inflation and all, so why don't you take out a brokers' license and sell insurance evenings in your neighborhood. We'll give you all the help around here you need to make some extra money."

There have been a number of instances where John gave part time selling a try and was so successful at it that he decided to go into full-time production. The office and field personnel shortage has been aggravated by the number of persons who have crossed over into selling after having found it more lucrative and more interesting than office work through part time experimentation.

Find Sales Field Far From Exhausted

One thing that the great hoard of part time insurance salesmen have proved to their own satisfaction is that the insurance field is far from completely covered from the selling point of view. Many a young office worker with special knowledge of some of a newer and less common form of coverage has cleaned up among citizens who had never heard of this type of insurance.

One such young fellow has made a real showing on the comprehensive personal liability line. He has written a lot of this business in his own immediate neighborhood. It is his plan and the plan of some of the others engaged in part time insurance sales to stick with his office job only until he is certain that he can stay on his feet full-time as a salesman. The success of the part-timers is proof that insurance sales possibilities are far from exhausted. In fact, some of the experiences suggest that the sales possibilities in many communities are barely scratched.

Await National Board Views on War Damage Plan

WASHINGTON—In addition to comments, suggestions and possible amendments on war damage legislation, expected from casualty interests, Senator Frear's subcommittee is awaiting a statement expressing the views of National Board.

The subcommittee hardly expects to receive further reports or views from government departments and agencies, as it is understood such were obtained by and coordinated through the budget bureau, before submitting to the subcommittee its draft bill for an overall war damage program.

Proposal Involves Many Problems

Senator Schoepfel, Kansas, who conferred, together with Senator Frear, with a group representing the casualty

business, said the war damage proposal is very complicated and solution of the complications involved presents many knotty problems.

Casualty representatives conferred Wednesday with staff members of the Senate banking subcommittee regarding amendments and suggestions submitted by Assn. of Casualty & Surety Companies with relation to the war damage program proposed by the budget bureau.

Conferees were Hugh Harbison, secretary Travelers Indemnity, chairman of the drafting committee; Richard C. Wagner, manager of A.C.S.C. casualty department, and Howard Starling, Washington representative.

Casualty people think the Frear subcommittee will recommend war damage legislation, but doubt it will be enacted.

N. J. Bill Allows Attorney-in-Fact to Countersign

Gov. Driscoll of New Jersey has signed a bill permitting an agent "to countersign policies, forms, and endorsements by an attorney-in-fact." This gives statutory approval to a practice common in many states of an agent appointing someone in his office to sign policies as attorney-in-fact.


In those states where the law does not specially state that the agent must countersign personally, it has been common practice for the agent to have someone else take over this chore. The action in New Jersey of making this part of the law is unusual.

Casualty Underwriting Manager Available

This chap with above-the-average ability has had 21 years agency-branch and home office underwriting experience. College degree—good personality—lots of drive—will locate anywhere.

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NEW COURT CHAPTER

Dominican Risk Emanation Faces Ill. Skepticism

Attorneys for London-Amsterdam-Zurich insurance group are supposed this week to file an answer in circuit court at Chicago to the complaint of the Illinois attorney general in behalf of Insurance Director Day, seeking to take over this unusual insurance enterprise in behalf of the state.

London-Amsterdam-Zurich lost an earlier skirmish in a decision of Circuit Judge Epstein, who held that the Illinois department was not foreclosed from going after London-Amsterdam-Zurich because of the contention of L.A.Z. that it is not an Illinois concern. That objection was dismissed and the new answer of L.A.Z. must be on the merits of the case.

The amended complaint of the attorney general alleges that Stanley H. Nylen of Chicago caused L.A.Z. to be incorporated under the laws of Dominican Republic, having in mind the possibilities for using it as a surplus line instrumentality. It was, according to the complaint, incorporated at Trujillo City, Dominican Republic, April 8, 1950 to write all lines of insurance except life throughout the world except that in the Dominican Republic itself no insurance could be written without express authorization.

Authorized Capital \$250,000

The authorized capital was \$250,000. Purportedly elected to the board were Johannes Jacobus Caron of Amsterdam, Holland, chairman; E. P. Hughes of London; August Keller of Zurich; Julio Hoepelman of Dominican Republic; Fernando J. Domenech of San Juan, Puerto Rico. However, the complaint alleges that none of these had anything to do in connection with the company, they had no money in it and were appointed by attorneys for Mr. Nylen, who it is understood at that time were Baker, McKenzie & Hightower of Chicago. Caron was elected as president, Hoepelman as vice-president; Domenech, secretary-treasurer; Miss N. W. Schmidt of Dominican Republic assistant secretary; and J. J. Gonzales of Dominica, manager.

Caron, according to the complaint, was selected largely because he was a close friend of one of Mr. Nylen's attorneys. Hoepelman is a lawyer, who actually went through the motions of attempting to form L.A.Z. as a Dominican Republic corporation, according to the complaint. He knew one of Mr. Nylen's attorneys. Domenech was an accountant of Puerto Rico. Gonzales acted as manager only until May 17, 1950, according to the brief. None of these persons ever exercised any judgment or discretion in connection with risks, it is stated. Caron, Schmidt and Gonzales accepted risks solely at the discretion of Nylen, and operated purely in a mechanical way, it is charged.

Capital Is \$2,000

The complaint says that the only capital that was put into the company was \$2,000 that was put in by one of Mr. Nylen's attorneys and \$5,000 that was put in an account at the Continental Bank at Chicago. The latter was put up May 12, 1950 and L.A.Z. already purportedly had issued more than \$1 million of insurance in Illinois with premiums of \$14,000. The complaint voices the suspicion that the \$5,000 was paid out of the premium receipts. L.A.Z., the complaint says, allegedly was organized April 8, 1950, but risks of the total face amount of \$1,073,750 were accepted during April.

Mr. Nylen, the complaint says, during March of 1950, approached two Chicago brokers saying that L.A.Z. was two years old and got them to become licensed as surplus line brokers. In behalf of Mr. Nylen at Trujillo City, a cable address was set up known as

"Lazag" with Gonzales in charge. Miss Schmidt later took over. These two Illinois brokers, the complaint said, would cable offers to "Lazag" at the instance of Mr. Nylen, and then the people at the Dominican Republic would cable acceptances. Arrangements were also made for Mr. Nylen to instruct cancellation of risks or rejections. Mr. Nylen, the complaint said, purported to act as sales representative in Illinois, but he was in fact, the underwriter and sole person in charge. L.A.Z., the complaint said, was simply his alter ego.

Amsterdam Cable Address

A similar course of dealings was set up in Amsterdam, the complaint says. The brokers would issue to insured a certificate purporting to evidence insurance risks.

Mr. Nylen, according to the complaint, instructed the Chicago brokers to honor drafts on them from Dominican Republic for net premiums on risks assumed. This was done, the complaint alleges, to further the sham and pretense of risks being assumed outside of Illinois. None of these drafts, according to the complaint, cleared through the Dominican Republic, but the proceeds were deposited to the account of Mr. Nylen or L.A.Z. at Chicago.

On Oct. 16, 1950, an agreement was made for the deposit of \$50,000 in the name of Mr. Nylen as trustee. At that time all the officers and directors had resigned and the complaint said no new ones had been elected. A trust agreement was signed in behalf of L.A.Z. by Arthur W. Wetterer of Chicago, who had been purportedly appointed assistant treasurer pursuant to a letter from

Trujillo City to Mr. Nylen. Mr. Wetterer was an auditor who had done some work for Mr. Nylen on his other enterprises including Great Lakes Auto Insurance Group, a reciprocal that is now in receivership. Mr. Wetterer was accompanied by Joseph J. Drapkin, who attested to the trust agreement.

The complaint alleges that all assets in the trust agreement were premiums that had been collected and that \$25,000 of these monies were removed and used by Mr. Nylen to form another reciprocal known as Farmers Security Insurance Group. There is also a proceeding against Farmers Security before Judge Epstein.

There have been some rumors of meetings held at Minneapolis in connection with London-Amsterdam-Zurich. Mr. Nylen has an uncle, P. M. Forsman of Marshall, Minn., who was president of Great Lakes Insurance Group.

Disregards Limiting Clause

Assured was entitled to recovery under a jewelry-fur floater policy even though the claim was made after 12 months from the date of loss, Oklahoma supreme court ruled in affirming a lower court decision. The case was Merchants & Manufacturers vs. Burns, CCH-42 (fire and casualty) 578.

The floater contained a clause voiding any action for recovery of loss if not commenced within 12 months of date of loss. Since a period of time greater than that elapsed before assured instituted action, the company denied liability, contending that in Oklahoma such a clause is statutory.

The court stated that the limiting clause is statutory only with respect to

the standard fire policy and such a clause in any other policy would violate another statute voiding agreements restricting the time within which a person can employ usual legal proceedings to enforce his rights.

Rent-Buy Deal May Pose Tax Problem for Lessee

Those in the insurance business who have a business lease arrangement with an option to purchase at the expiration of the lease may be faced with a tax question as to the deductibility of the rents. Such payments must be true rental and not, in effect a part of the purchase price wherein an equity in the property is acquired.

Recent Case Won by Treasury

The most recent case involving this question was won by the Treasury. The rent deduction was denied by the auditing agent and the tax court affirmed, even though the lessor also treated the receipts as rental income rather than as purchase price.

The court was impressed by the fact the so-called "rental" payment constituted about 59% of the entire consideration. The court observed that such a ratio of payments to total consideration tends to establish that the lessee acquired an equitable interest in the property.

Commissioner Maloney of California has approved the name of **Union Fidelity** for a proposed casualty company to be organized by Roosevelt & Sargent, agents and brokers at Los Angeles.

When an agency needs advice...



...WHERE does it go?

Another agency? An efficiency expert or an industrial engineer? An advertising agency? Or to the insurance company it represents?

When our agents have problems—anything from "Why don't I get more profit out of my business?" to "What's the best way to set up my agency organization?"—they take them up with our Agency Systems Department. This is a department of specialists... specialists with over 20 years experience in personally advising agents on all phases of successful agency operation.

As an indication of how alert you are to today's best procedures, how do you rate on these sample "True or False" questions:

If an agency produces sufficient premium volume, the profit on the business will take care of itself.

An agency should concentrate its entire selling efforts on new prospects.

Production in an agency is not affected by the way in which daily reports are filed.

Whether or not you represent one of our companies, get your copy of the latest "True or False" from our Agency Systems Dept.

Agency Systems Department
Royal-Liverpool Insurance Group, 150 William St., N.Y. 38, N.Y.
Please send me ☐ "True or False" ☐ Further particulars regarding Agency Systems service.

Agent's Name _____

Address _____

Represent Royal-Liverpool Insurance Group: Yes ☐ No ☐

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Now Is Time for Local Agent to Get into A. & H.

By DONALD J. REAP

Current developments in the A. & H. field and large potential growth directly ahead are expected to influence many local agents to sell the line who have not heretofore done so, or have done so only in a modest way. Among such developments are the tremendous growth in the A. & H. business. This indicates a sharp and widespread demand for the protection by the public, though peculiarly enough it is a coverage that still has to be sold.

Another factor is the entry in the field on a large scale by the life insurance companies. By selling A. & H. the local agent can offer his clients complete insurance service, except for life (and possibly that also), or he can let some other insurance man, probably a life agent, assume the service and take over that much more of his client's insurance interests.

Selling a new line such as A. & H. shouldn't be too hard for a local agent. He is already well versed in selling several coverages. His principal competitor in the thriving A. & H. market, to an increasing extent will be the life agent. Often, however, the life man is experienced only at selling life. It is an adventure for him to take on even one additional type of coverage.

Life Agent Competition

The casualty companies were the first to offer A. & H. coverages. Now their supremacy is challenged by the rush of giant life companies into the field. They are bringing to bear on this field their vast agency forces, and, if only in self defense, the local agent will find it necessary to talk A. & H. to his customers.

Metropolitan Life, for example, the

biggest premium writer in the A. & H. business, has 26,000 agents who can sell A. & H. That company is rapidly expanding its activity in the line. Prudential, with 20,000 agents is coming into the field early in 1952. New York Life, which has about 5,000 agents, went into the field this summer. Many other large life companies are developing A. & H. programs. This means that thousands of additional producers will be pushing A. & H. country over.

Big Life Company Effort

Life companies intend to put plenty of money into their sales efforts. They will conduct schools, campaigns, and conventions. They'll call upon all their promotional resources to arouse agents to sell. They are old hands at elaborate sales procedures and in the development of the very best kind of sales aids, so essential to life insurance selling. These will be supplemented by plans for widely distributed advertising. The public is bound to hear a great deal of the A. & H. business.

Temporary disability benefits laws and the wide sale of group A. & H. has greatly increased public knowledge and acceptance of it. The talk of national health insurance is a symptom of public demand for the protection.

In selling it, agents earn the three-fold bounty of service to clients, commissions, and the knowledge that they are helping to keep government out of the business.

Considerable interest is being stirred up by catastrophe medical expense coverages sold on a group basis by several life companies and one casualty company and on an individual basis by one big life company. Each new company will prime the pump of pub-

lic interest as it decides to sell this coverage.

A by-product for local agents who have gone into A. & H. selling stems from the fact that A. & H. coverage must be sold—it isn't bought. Once they have picked up the necessary sales knack in the A. & H. field these agents apply it to other lines and sell successfully where they formerly thought they couldn't.

A. & H. premiums are five times as large as they were in 1940. The 1951 Argus Casualty Chart shows that only the combined automobile casualty lines exceeded A. & H. premiums in 1950. A. & H. premiums totaled more than all non-auto casualty lines combined. The questions raised for the local agent are: Am I getting my share of this volume? Or, am I writing five times as much A. & H. as I did in 1940?

Younger agents in the business are being brought up on A. & H. as a lead line. They are trained to make A. & H. an integral part of their regular sales activity. Company schools feature A. & H. Field men are talking it up. Men new or old in the business, not attracted to it, are likely to find other local agents or life producers taking away from them present and potential commissions.

LOCAL AGENT AND A. & H.

One of the first projects for the local agent desiring to capitalize on the trend to A. & H. is to avert having his clients and prospects associate the interest they are bound to develop in A. & H. with life insurance or with some other agent. The local agent has got to make his people think of him when they think of A. & H.

This carries out the prestige concept he wants to convey—that he is an all around insurance man able to take care of any and all insurance problems and needs that his clients have.

The local agent can do something about this A. & H. fanfare.

He can do it with less difficulty than he probably thinks.

If he is pretty cold on his A. & H. knowledge he can get educational material from the company in which he'd like to write his A. & H., or from several companies, and after learning what they have to offer, select one or more. If he hasn't any particular one in mind, he can look over the pages of this newspaper and see the names of many companies with attractive offers in the A. & H. field.

Notify Policyholders

First, he should let everyone on his books know that he can and does sell A. & H., that he would like to sell them A. & H. protection if they don't have it, and that he has the type of policy they need.

Perhaps a simple notification letter offering advice on the subject may be all an agent cares to go in for on an immediate basis. Letters for the purpose are easy to compose. But the reaction of clients usually encourages agents to be less afraid in the future of giving them a real sales pitch on A. & H.

The more advisable and productive true sales promotion effort isn't any more difficult. A trained field man can always be found to help out in its preparation. This can be done without pressuring clients into something they don't want to do or endangering other lines of business by trying to oversell clients. Besides many local agents have been embarrassed to learn that they have been too modest about offering their customers additional protection. Why let someone else do it?

Almost any type of mailing produces more than enough direct commissions or other returns to take care of the expense of the letters and their preparation.

Office stationery can be changed to show A. & H. as one of the lines the agent sells. The display or office window can be dressed up to include some

visible evidence of this too.

If a special sales promotion campaign isn't called for, at least an A. & H. staffer should be inserted with renewal bills for all other lines. It usually takes more than direct mail to sell A. & H., but at least the pamphlets plant the idea that the agent knows about A. & H. and is the man to see about it. The overall procedure to be followed will be dictated by the individual agent's special type of operation. The point is that he must do something soon or lose money by default.

Some agents will be just getting into A. & H., others may want to increase the time and effort they are now devoting to it. No multiple line casualty company suggests that the successful local agent become a full time A. & H. man, though even that has happened in some instances. But at least the local agent can profitably budget a certain amount of time and effort to A. & H. and then apply himself to it on a regular basis.

There are many timely coverages that can be used in the near future to pep up a promotional effort when an agent decides the time is ripe for him to do something about it.

SALES POSSIBILITIES

Some of the immediate promotional possibilities suitable for late summer or early fall use are listed below. All of them can be used to develop, ultimately, complete A. & H. protection for clients, including business and group coverages.

Companies have many kinds of literature and are able to make available material that will fit in with an agent's campaign as well as his follow up sales activity.

Student accident makes a good A. & H. door opener subject for this time of year. The loss in school time is bad enough for the parents of high school or college students to contemplate without the terrific cost of medical expenses that goes along with accidental injury. Special policies can be written on athletic teams, or sports-only protection can be written on students.

Families can be interested in polio insurance. It is commonly thought that this is a disease originating in the summer time. But figures from the National Foundation for Infantile Paralysis indicate that the 1950 peak incidence of the disease was in the third week of September. Not until December had it fallen to the July level. Some question the advisability of selling specified disease policies and may wish to write overall protection. Either type of policy is better than none.

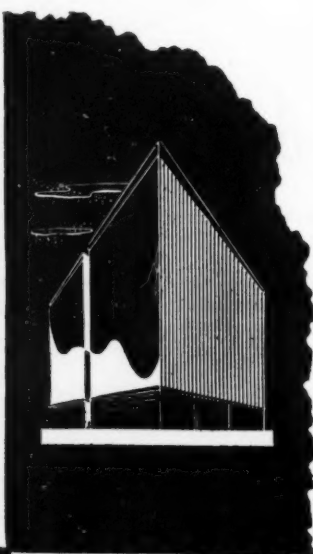
In early autumn, in the past, many agencies have succeeded in selling trip-travel-accident policies. These don't take much time, effort or expense to sell. A tie-in newspaper ad, spot radio announcements, or letters to all newly licensed hunters in some areas just before hunting season may pull many into the office. Or, applications for the coverage can be left at the place where the hunting licenses are sold in some localities. Agents in Wisconsin have used this with special success.

Supplement Group

The catastrophe medical expense idea is one that fits particularly well into an A. & H. campaign. Actually that is what an A. & H. policy is. The agent can suggest to his customers that the Blue Cross, Blue Shield, or group A. & H. they have, and many of them don't have even that minimum coverage, will take care of the expenses of a routine illness. But benefits usually run out after a few hundred dollars of expenses. Or, they may wish to extend their group protection to the entire family. A personal policy augments the group coverage. And an agent can point out that the collection of benefits under one policy doesn't preclude collecting under the other. Thus an agent can sell catastrophe protection of a kind,

(CONTINUED ON PAGE 13)

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FOR THE PRICE
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A Full

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A Full-Time Occupation

In most agents' offices across the country, insurance is no longer a sideline. As a class local agents no longer are part-timers, piecing out income from other sources, but devote their full energies to making their local agencies a success, making them useful, even essential, to the public and making them profitable in a way that compares to the rewards of applying attention and intelligence in other fields.

The fact of these successes adds considerably to the attraction of the business for the young man seeking a career. More bright young men are entering the field and entering earlier in their careers than was the case 20 or even 10 years ago.

Where an office is part insurance and part something else—real estate or bank, say—some one, usually a partner or key employee, is spending his full time on insurance. The successful combination businesses are, for the most part, holdovers from earlier days that proved adaptable with the growth of insurance.

Transition in Status Gradual

The transition from insurance as a sideline and of the local agent from a part-timer has gone on gradually. As the American economy expanded and grew more complicated, so has the business of insurance in size and complexity. But perhaps the greatest growth has come in the last 10 years, with the end of the depression and the beginning of the second war. The growth in premiums since that time has been spectacular. It gave those agents who were prepared an opportunity to realize on some of the years of investment that they had made when the returns were more meagre.

Yet even today they continue to bolster their position. In hardly any other business is so much emphasis laid on education, on doing the job better.

To those agents who have fought through the years for higher standards of licensing, for examinations to determine competency, etc., grading up of agents—must seem slow and the job still largely undone. Perfection, it is true, is a long way off, but much progress has been made. As more and more people and more and more competent personnel have been attracted to the insurance business and to insurance producing, the incompetent finds it harder to keep going. Competition has helped to take care of the less professional in the field.

Situation in 1915 Recalled

A fire company executive recalls that when he started in the field in 1915 the majority of agents had other businesses. But they did not have much to sell. Fire companies were underwriting principally fire and tornado. The young special agent made a record for himself by pushing tornado coverage, which many insured did not carry. In casualty the agent was selling accident, a small amount of workmen's compensation and a little automobile.

As companies increased and broadened coverages, the agent has had to spend more time on insurance, to understand it, to keep up with the changes that have occurred, to learn how to measure clients' growing risks and prescribe for them. When marine coverage came along, even the agent in the small town had to learn something about the insurance on a doctor's instruments. When the agent was forced to spend more time on insurance, he increased his income.

He learned something else, that the income from the agency grew, was steadier than that from real estate, for example, and as time went by permitted him to take a little time off. It was a splendid "maturity years" business. It built into something he could live with more comfortably than he could with almost any other kind of business.

Expansion of insurance to where a man may make a good income by devoting his full attention to it does not

in itself indicate progress. But any working underwriter can—and often does—expound on the difference between many part-timers and the good full time producer.

What does the uninformed, illy prepared part-time producer do to the insurance company? His business is, to begin with, more expensive to handle. He does not know how to complete an application, he needs more assistance from field men, he is apt to give poor advice to insured in connection with losses. His failure to insure his clients adequately and properly constitute a slow drag on the business.

This is not to say that all part-timers are incompetent. Part-timers will long endure in the business, perhaps always. In many a small town insurance still is not large enough to support a local agent who devotes all his time to that alone. But here the demands for knowledge and service are less in extent and kind than in more populated centers, even though good service, and skill in getting insured to purchase what he should have still are needed.

But there seems hardly any longer room for the part-timer who is one because he is consistently unable to suc-

ceed in insurance even though the potential is there, or he remains for long a part-timer by choice.

Not all of the changes which have occurred in insurance have taken place in the coverages. These challenge agents to keep up, but in addition there is a constant grading up of service through competition. Though insurance permits the able agent who plans for the future to taper off in later years, his business is always subject to attack by more vigorous, better educated agents. This has meant that the older, well established agencies have had to look to their laurels, bring in young blood and thus either grow—or decay.

The influence of increased numbers of competent agents has made itself felt on the company side. There it has been necessary to provide more service and improved service in the field. There has been a great call for specialization, for field men expert in such side lines as U. & O., or unusually well qualified to handle certain types of risk. Many an agent today knows more about the business than the young field man, quite a contrast to the way it used to be.

Agree on Cost Study

NEW YORK—At a meeting of the commissioners subcommittee on multiple location risks here major elements

of the business engaged in this field indicated agreement on a joint cost study. The study will cover transactions Oct. 1 through Dec. 31 this year and will follow substantially the plan proposed by the Multiple Location Service Office technical committee earlier this year.

Certain criticisms of the study plan made by the commissioners subcommittee are to be given further consideration by the business as the study progresses. It is hoped results of the study will be ready for the June, 1952, meeting of the commissioners.

Participants in the inquiry into cost factors will be America Fore, Travelers Fire, North America, Pearl, Aetna Fire, Home, Great American, Royal-Liverpool and General Cover Underwriters Assn.

C.P.C.U. Designees Honored

Ten insurance men in that area who recently passed the C.P.C.U. examination were honored at a luncheon given by the Northern California chapter at San Francisco. The designation will be conferred by Dr. Harry J. Loman, dean of American Institute for Property & Liability Underwriters, at the all-industry luncheon at San Francisco this fall.

EXCESS AND SURPLUS LINES

Fire, Allied Lines — Water Damage



GUARANTY FIRE & MARINE INSURANCE COMPANY

Reinsured (by Treaty)
Up to 91 2/3 Percent by:

Lloyd's London

and

Baloise Fire Ins. Co., Ltd., (Est. 1863)

The General Ins. Co. Helvetia, Ltd. (Est. 1858)

Swiss National Ins. Co., Ltd. (Est. 1863)

Union Reinsurance Co. (Est. 1923)

Combined Resources*
Valued over \$60,000,000

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Robert W. Buck, Vice-Pres.

P.O. Box 84
St. Andrews Branch
Charleston, S. C.

Telephone 2-4037
(Long Distance) L. D. 947

European Correspondent:
LeBlanc et de Nicolay
51 Rue Cambon, Paris

Cuban Correspondent:
U. S. & Foreign Management Ltd., S. A.
Calle Cuba 52, Havana

*This group of Swiss companies are shareholders of Guaranty

Accident-Health Offers Big Field for Agent

(CONTINUED FROM PAGE 10)

whether his company offers a so-called catastrophe policy or not.

These promotional stimulants may lead to writing higher premium bread and butter type A. & H. business. These are the policies written on family heads providing year round cover against loss of income, medical reimbursement, indemnity for death and disability, and so forth.

What are the other facts of interest to an agent who puts additional time into A. & H.? There are many. Here are a few: High commissions, immediate opportunity to build an ever increasing, easily renewable, account that becomes almost a life time annuity, unlimited field of prospects, less competition than in other lines, good persistency of the business, development of good will and appreciation, a door opener to other lines, easy to handle and service (making it a form of A. & H. or life insurance for an agent's wife since the business is something she can take care of if he is disabled or dies.)

July Fire Losses Off 1.4% From Previous Year

NEW YORK—July fire losses are estimated by National Board at \$52,200,000 which is 1.4% below the estimate for July, 1930.

Merit Rating Plan Upheld

American Farmers Mutual Auto of Des Moines has been sustained by a decision of Judge Ladd of Polk county on the legality of its merit rating plan. The plan was introduced in 1939 but in 1950, subsequent to the enactment of rate regulatory legislation, Sterling Alexander, while commissioner, found that the plan

was illegal and ordered that it be discontinued. He charged that it is unfair and discriminatory. The company has been operating since then under an injunction. The plan embraces a no claims bonus of 10% and this increases to a maximum of 40% after a four-year claim-free period.

Supervision Is Divided

America Fore, because of steadily growing business in the eastern department, has separated the secretarial supervision of the New England states and New York state.

Secretary LeRoy T. Brown, who has heretofore supervised both divisions, will now devote his attention to New York state, with Long Island and greater New York City separate from his territory.

Secretary John T. Horan will assume supervision over the New England states and Long Island. He has had many years of field experience in New England. He has been with America Fore since 1920.

William Vickers Named

William Vickers has been appointed inland marine superintendent for National Fire in the Pacific Coast department. He was at one time at the head office of American and then was inland marine superintendent for Employers Fire at Boston.

Mason to Portland Post

Lloyd H. Mason, who has been with the Lloyds department of Swett & Crawford at Seattle, has been transferred to Portland as manager of the fire department there. He was for 17 years at the home office of Springfield Fire & Marine.

Expands in Australia

North America has opened an office at Brisbane, Queensland, Australia. Offices are also maintained at Sydney, New South Wales, and at Melbourne, Victoria.

Talk on Legal Responsibility

A talk on "Legal Responsibility of the Insurance Producer" will be given by John S. Bolton, Los Angeles insurance attorney, before Oakland (Cal.) Assn. of Insurance Agents Aug. 21. Mr. Bolton formerly was a special agent in southern California.

May Move to Topeka

Kansas Farm Bureau and its two affiliated insurers, which reportedly suffered more than \$100,000 damage in the July flood at Manhattan, are said to be considering moving their offices to Topeka.

M. & M. Hires St. Paul Life Man

William C. Raitt has been named manager of the life department in the St. Paul office of Marsh & McLennan. Mr. Raitt has been with Aetna Life in St. Paul. He is a law graduate of University of Minnesota and served in the army.

Hartford Accident has appointed A. D. Phillips as chief accountant and R. B. Dwyer as assistant chief accountant.

General Adjustment Bureau has opened an office in the Exchange Bank building at Natchitoches, La., with E. Dewey Black as manager.

The Cere agency of Detroit has moved to a new location at 15523 Mack avenue. Bob Fullinwider has sold his local agency at Wichita to the Lyle D. Cone agency and is now with the Fullinwider agency at Eldorado.

Mrs. Ruth Wildt, Security, has been named president of Insurance Women of Denver; Mrs. Phyllis Mormor, vice-president; Mrs. Christine Young and Miss Edna Shelley, secretaries, and Miss Marie Ansberry, treasurer.

A new agency partnership known as Martini-Cooper has been formed at St. Helens, Ore., by Russell Martini and N. T. Cooper, who resigned recently as special agent in Oregon for General of Seattle.

The Seymore & Bailey agency, Sutherlin, Ore., has been purchased by C. A. Petherick, formerly of Ashland, Ore.

AGENTS APPLAUD

GOLD MINES ON MAIN STREET

The following are extracts from letters on file in our office. We could quote from many, many more but, in substance, they all say the same thing. *Gold Mines On Main Street* has made a hit in the insurance business:

"I have just finished reading *Gold Mines On Main Street*. You have done a grand job in portraying the facts which some of us know so well about Mutual insurance, and for those who don't, it will give a guide post for their future."

(Illinois)

"I have studied it very carefully in its entirety. It has cleared up some matters in my mind that had been of some concern to me for some time on Mutual insurance. I would like to make an agency connection with your Company. I think your book is wonderful."

(Oklahoma)

"I want to congratulate you on an excellent job of telling the story of Mutual insurance to present and prospective agents. It is a wonderful book."

(Georgia)

"Thanks a million for our copy of *Gold Mines On Main Street*. Not only has everyone in the office read and enjoyed it but we are using extracts from it in our weekly radio broadcast, very successfully, we think."

(Louisiana)

Gold Mines On Main Street will be sent, without charge, to anyone in the insurance business who requests a copy on his business stationery.

THE LUMBERMENS MUTUAL INSURANCE COMPANY

Russell Davis, Vice President
MANSFIELD, OHIO

The Perfect Hotel for Successful Sales Meetings!



Check these points —

- ✓ Centrally located just 45 minutes from the heart of Chicago in suburban Highland Park.
- ✓ Stately Georgian buildings surrounded by 21 beautiful wooded acres overlooking Lake Michigan.
- ✓ No commercial distractions, no city turmoil. Keep your men together in a quiet "country home" work-inspiring atmosphere.
- ✓ Private beach and every recreational facility on the grounds or close by.
- ✓ No extra charge for use of ballroom and conference rooms of varying sizes.

Convention or sales groups given first preference year 'round. Write for full information.

Moraine on-the-Lake HOTEL
HIGHLAND PARK, ILLINOIS

NEWS OF FIELD MEN

Pearl Intensifies Field Supervision of N. Y. State

Pearl has divided the field supervision of eastern New York by transferring State Agent W. F. Bischoff from Syracuse to Albany and appointing Gordon O. Kinne as special agent at Syracuse in charge of the central section of the state. State Agent Speding, at Buffalo, continues to have supervision of western New York state.

Mr. Kinne's headquarters are in the Paramount building. He attended Syracuse university and after three years in the army was with the Syracuse local agency of McClusky, Haylor & Haun. Later he was in the field with Syracuse headquarters for Firemen's

Plaque to Harvey Girard

Wisconsin Fire Underwriters Assn. has presented Harvey Girard, state agent of Providence Washington, a plaque for

outstanding service during the past year in public relations. Mr. Girard has long been particularly active with local agents throughout Wisconsin in the fight to retain and regain city and county fire business in competition with the Wisconsin state fire fund. A similar award was presented last year to J. R. Lossman, state agent National Union, for outstanding service as chairman of its public relations committee.

American Revises Indiana Setup

The Indiana field supervision for American has been revised following

the retirement on pension of State Agent George R. Pritchett. Special Agent Martin E. Myers has resigned as special agent in Indiana and is replaced by Charles P. Kuffel, who has been transferred from Wichita and assigned to the northern Indiana field.



Francis P. Kneeland has been appointed special agent replacing Mr. Pritchett in western Indiana. Robert F. Young continues to handle southern Indiana. Charles F. Hogan is named special agent for western Kansas, succeeding Mr. Kuffel.

Mr. Kuffel was with the Missouri Inspection Bureau and was in the Illinois field for National Union for some time. Mr. Kneeland has been traveling in northern Illinois for American. Mr. Hogan has had rating bureau and field experience.

DeWitt Goes with Resolute

E. M. DeWitt of Columbus has been appointed special agent for Ohio of Resolute of Hartford. He has been in the Ohio field for 28 years.

Indiana Outing Sept. 13

Indiana Blue Goose will hold its annual South Bend outing Sept. 13 at Four Lakes Country Club at Adamsville, Mich.

Winegar Given Fresno Post

Leonard F. Winegar has been named special agent in the San Joaquin Valley for Phoenix-London, with headquarters at Fresno, Cal. He succeeds Jack A. Hockman.

Ward in Wisconsin Field

Richard A. Ward, who has been with the western department of Boston and Old Colony, has been transferred to Milwaukee as a special agent to assist Thomas A. Hites, Wisconsin state agent.

Fireman's Fund Changes

William M. Ray has been transferred by Fireman's Fund from Tennessee to Wisconsin. S. Lawrence Warren, Jr., is appointed special agent at Nashville. He has had extensive rating bureau experience.

F.P. Exhibit for Minn. Fair

ST. PAUL — An extensive fire prevention exhibit is being set up jointly by Minnesota Fire Prevention Assn. and the Minnesota public relations committee for showing at the Minnesota state fair, opening Aug. 25 and continuing through Labor Day.

A. H. Turner Field Changes

Barney S. Dunlap, who has traveled in Georgia for a number of years for the Atlanta managerial office of A. H. Turner, has been transferred to Virginia with headquarters at Richmond. He is replaced in Georgia by A. M.

Fincher, Jr., who has been connected with the Turner organization for a good many years in the general cover department.

R. N. Kempf, who has been an underwriter at the headquarters office, is being sent to Alabama to assist Special Agent Frank H. Dobbins.

Jensen Goes with Blakely

J. S. Jensen, for some 25 years with Fire Association in Kansas, past most loyal gander of the Blue Goose and active in field club and Fire Prevention Assn. affairs, has been named manager of the fire department of C. G. Blakely & Co., Topeka general agents.

Opens San Diego Unit

Fire Association opens a complete service office in the Spreckels Theatre building, San Diego. This will be supervised by Special Agent Arthur Banker, under jurisdiction of George J. Simpson, manager at Los Angeles.

Special Agent George Murray Carlson has been placed in charge of the territory other than San Diego county, formerly serviced by Mr. Banker. Mr. Carlson's will be at Los Angeles.

O'Donnell L. I. Special Agent

America Fore has appointed Bernard J. O'Donnell special agent in Nassau county, L. I. He has served in that territory since 1948 as special agent of the engineering department. He has been with America Fore since 1929 and served overseas during the war. He will continue his headquarters at Jamaica.

J. E. Frazier in New Post

Joseph E. Frazier has joined the Pfalz & McGraw general agency at Detroit to engage in field work. He was formerly with Republic of Dallas and has had many years' experience in the Michigan field.

Nicholson in E. Texas Field

James A. Nicholson, who has been with the Dallas service office of North America, has been transferred to Houston as special agent for east Texas.

John H. Nabors, who has been special agent at Houston, has resigned to enter local agency work at Winsboro, Tex.

Abbott to N.Y. for Firemen's

Leo Abbott, special agent of Firemen's at Providence the past year, has been transferred to Syracuse, N. Y., as special agent, working with J. Russell Langwig, state agent. Mr. Abbott, who succeeds Gordon O. Kinne, formerly was special agent at Albany for Firemen's and trained there.

Robert Bezucha, San Antonio special agent of Hartford Fire, spoke to the Fredericksburg (Tex.) Rotary Club on public service organizations and showed the Underwriters Laboratories film on "Dangerous Fires."

The Austin puddle of Alamo Blue Goose will hold an outing for members and their families at Barton Springs Aug. 25.

Missouri Fire Prevention Assn. has scheduled an inspection of Palmyra for Sept. 13.

Three More Cal. Speakers

Three additional speakers have been announced for the annual meeting of California Assn. of Insurance Agents Oct. 29-31 at Los Angeles.

Rhea Hurd, advertising manager of American-Associated, St. Louis, will talk on "How to Avoid Hit-and-Run Advertising;" Charles McKeand, director of industrial relations of Merchants & Manufacturers Assn., on "What the Average Business Man Expects from His Insurance Agent;" and Earnest Schag, Jr., 18, a sophomore at University of Southern California, on "Valley Forge to Korea."

WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER — FIRE & CASUALTY EDITION

FOR THE AMBITIOUS MAN

Who is looking for opportunities in the casualty insurance business that presently seem far away; this company may have just what you are seeking. We are interested in bringing several young men into the company now as salesmen where promotions for managerial and executive work can rapidly be earned. Immediate placement can be made at Cincinnati, Chicago, St. Louis, Cleveland and other Mid-west locations. For record of company's growth and financial condition, refer to the Argus Chart or any other factual trade publication. Direct applications to . . .

Personnel Department
Manufacturers & Merchants Indemnity Company
35 East Seventh Street
Cincinnati 2, Ohio

ADJUSTER — LIABILITY

A well-established growing insurance company operating in the western states needs an experienced aggressive liability adjuster who is capable of supervising a new department and the training of other adjusters. College graduate preferred, age 30 to 45. Headquarters in Los Angeles. Interview to be conducted in your community. Please state complete educational and business background. Write Box G-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Competent Manager for Accident and Health Department of well-established New England Multiple Line Company. First letter must give details covering experience, age, present and former employment. Box G-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WISCONSIN A&H GENERAL AGENCY

contract wanted providing company financial assistance. Young, employed Special Agent with excellent sales record in A&H, Hospitalization and Surgical coverages wants to relocate in home state. Please give details of available plans. Address G-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PASADENA OFFICE SPACE

Office space available in Class "A" building on most important corner in Pasadena. From 200 to 20,000 square feet. Parking. Write T. D. Rogers, 9014 Wilshire Blvd., Beverly Hills, California.

AVAILABLE

Junior Executive under 40 seeks change for personal reasons. Home Office schooled (Hartford, Conn.), well versed in Production, Underwriting and Claims. 15 years' experience in Fire, Marine, Casualty and Bonds. Draft exempt. Best of references. Address G-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Man or woman with fire experience as assistant underwriter. Growing organization offers good starting salary and excellent opportunities for rapid progress. Numerous employee benefits. Air conditioned office. Address G-43, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Insurance executive background 25 years experience every phase of business except life will accept new connection at salary not less than \$10,000.00. Presently employed with remuneration approximately above stated. Prefer to live in south but will go anywhere. Address G-45, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SURETY EXECUTIVE

This is an important position in the home office of an established stock company group located in a metropolitan center an hour and a half by air from New York City. Individuals should possess a sound seasoned surety background. This is a most unusual opportunity. Please reply giving complete resume. All replies will be treated confidentially. Address G-47, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Inland marine underwriter, 35 years old, married, desires change to travel as inland marine special agent. Will relocate any territory other than Chicago. 15 years experience in western department and agency. Address G-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MILITARY INSURANCE BROKERS

Nation-wide organization with very complete facilities for all insurance needs of Armed Forces Personnel desires Brokers near all military and naval establishments. Please advise name of post, base or station on which you propose to solicit. Address G-68, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED — EXPERIENCED ADJUSTER

Preferably with fire and casualty training, age about 30. This opening is with a progressive independent organization serving the State of Michigan. Good opportunity for advancement. Please give age, marital status, education, experience and references in first communication. Also have opening for a trainee. Address G-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

COMPANIES

Mashek St. Paul Assistant Sec'y: Drake to Home Office

Walter H. Mashek has been appointed assistant secretary of St. Paul Fire & Marine and Mercury. He started in the banking business at Lidgerwood, N. D., in 1918 and entered the insurance business in 1926. He joined St. Paul in 1936 as state agent for South Dakota at Sioux Falls and in 1948 was transferred to North Dakota as manager. Last May he was transferred to the home office as executive assistant in the fire department.

As assistant secretary he will be in charge of fire operations between the Mississippi river and the Rocky Mountains.

Carl B. Drake, Jr., has been transferred to the automobile department of the home office. He joined St. Paul in 1941, working in various departments of the home office until 1947 when he was assigned to Chicago as special agent. In 1950 he was appointed state agent for central Illinois.

R. E. Stephenson Named

R. E. Stephenson has been elected secretary-treasurer of Insurors' Corp. of Dallas. He has been with Continental Fire & Casualty.

Resolute Half-Year Figures

Resolute Fire wrote \$6,013,111 of net premiums the first six months, off about 37.5% from the same 1950 period. The decline was attributed in a large part to the effect of regulation W on the purchase of new automobiles.

Capital and surplus June 30 were \$2,541,047, compared with \$2,157,265 Dec. 31. Unearned premium reserves were \$10,312,000 and assets \$14,885,420.

Beneficial Fire & Casualty, Los Angeles, has been granted a multiple-line license in Texas.

2% of Kansas Flood Loss Covered by Inland Marine

(CONTINUED FROM PAGE 2)

lect, it is a real problem for the adjuster.

The railroads, of course, are chiefly relying on the "act of God" defense. Some of the railroads do have insurance for their bill of lading liability, and this with a \$50,000 deductible. Subrogation is being taken automatically on all railroad claims as a routine matter. Partly this is because some of the shippers' policies state that there is no liability unless the claim is declined by the carrier. Once the amount of loss is determined, the subrogation action will be reviewed in each case and only where there is a good claim will a suit be pressed.

Carload Losses Run High

The bulk of the inland marine claims at Kansas City will be made up of railroad losses. Some of those that have been estimated so far include a carload of drugs and sundries for \$82,000, a carload of succotash, \$10,000; binding twine, \$17,000.

Because most of the loss was in the industrial district, there will be practically no PPF claims.

Rates for grain transit policies are amazingly low, running 4 cents or 5 cents a car with a liability per car of approximately \$4,000. However, the experience on this business has until now been very good. Ordinarily the railroads have paid losses of this kind as a good will measure, but the Kansas flood is of such proportion that this could not be done. This is the first time that the insurers have had to stand any sizable loss on the grain policy. There have been efforts in the past several years to get the rates raised, but the experience record has been an obstacle. It is

almost certain that in 1952 the rates will be up.

There are a number of contractors' equipment floaters involved in the flood. Tractors and other equipment in some cases are buried completely under mud and silt, and it is necessary to leave them there until roads are built so that when the equipment is excavated it can be moved immediately and repaired before rust action begins. Most of these losses will be 90% and upwards.

There are also a number of laundry and dry cleaners' bailee policies. One rule of thumb on these losses is \$50 a customer for a dry cleaning establishment, and for a laundry about \$70 per customer.

Aetna Fire Group Has Big Gains in Six Months

The midyear report to stockholders of Aetna Fire group shows a gain in assets for the six months of \$6,253,568 while net surplus showed a loss of \$783,481. Assets now total \$194,658,799 and the surplus is \$36,084,047.

Premiums written for all companies in the first six months totaled \$62,781,567, an increase of \$9,355,602. The earned premiums were \$53,231,767, a gain of \$4,840,887. Losses incurred were \$27,533,411, up \$4,604,743. The loss ratio on an incurred to written basis was 43.8% and on an incurred-earned basis was 51.7%. Expenses incurred amounted to \$28,264,506, an increase of \$3,845,371. The expense ratio to written premiums was 45.0%.

The group showed a percentage increase in premiums of 17.5. Unearned premium reserve is \$100,225,652, an increase of \$9,549,800. Investment income for the first six months was \$1,993,788, a gain of \$44,289.

Aetna Fire, in the first six months, had written premiums of \$35,262,610, an increase of \$6,452,164. Premiums earned were \$30,354,844, a gain of \$2,896,137. Losses incurred were \$15,098,716, an increase of \$2,314,260. The earned-incurred loss ratio was 49.7, and the expense ratio to written premiums was 42.6% on expenses incurred of \$15,034,265.

Century Indemnity in the first six months had written premiums of \$16,076,423 and losses paid of \$6,475,178. Unearned premiums were \$2,997,166, and the company had an underwriting loss of \$1,826,391. Surplus of Century was \$5,645,450, a decrease of \$1,260,967.

Aetna Fire's indicated liquidating value June 30 was \$91.17 a share on a consolidated basis. This compares with \$88.14 on Dec. 31 and \$82.99 on June 30, 1950. The stock is currently being quoted in Hartford at \$57 bid and \$59 asked.

Card Completed for Oregon Agents Annual Meeting

Arrangements have been completed for the Oregon Assn. of Insurance Agents annual convention Aug. 24-25 at Baker.

The Friday morning program will begin with an address of Commissioner Taylor of Oregon on "Insurance Trends and Agents' Responsibilities." Early T. Newbry, Oregon secretary of state, will talk on safety, and President Melvin J. Miller of the National association will discuss "Our Mission."

In the afternoon there will be a sales talk by Tony Whan, president of Pacific Indoor Advertising Co.; a talk on "New Coverages with Changing Times," by A. V. Holman, secretary of America Fore at San Francisco, and a discussion of extended coverage by Percy P. Lynch, secretary at San Francisco of Great American.

There will be a cocktail party and buffet dinner in the evening.

Saturday morning the program will start with a cowboy breakfast break-fast. At the business session the officers

and committee chairmen will report and the new officers will be elected. The afternoon will be given over to entertainment and the banquet and installation of new officers will be that evening.

Moller to Elkhart Bank

Richard W. Moller, who has been in insurance work for 30 years, has become assistant manager of the insurance department of the St. Joseph Valley Bank at Elkhart, Ind. For 25 years he has been in the field as special agent for the Employers group and Great American and more recently for Stone, Stafford & Stone of Indianapolis.

America Fore Ups Kachel

Sidney Kachel has been advanced to Wisconsin state adjuster for America Fore, with headquarters at Milwaukee. Mr. Kachel, who has been with the company there, succeeds Lawrence H. Bowers, who has gone with Fireman's Fund as assistant general adjuster in the western department.

Visitation Tour in So. Cal.

Robert E. Dawson, secretary-treasurer, and Gene Alair, W. R. Van Dusen and W. G. Wilson, directors of California Assn. of Insurance Agents, have teamed up to conduct regional meeting type visitations with local associations

in southern California. They started Aug. 7 and conclude Sept. 25. Topics discussed at each meeting include installment payment of premiums, compulsory auto insurance, accident prevention, legislation, group writing, town inspections, public relations and the coming convention of the state association.

The itinerary includes Arcadia, Whittier, Pasadena, Beverly Hills, Inglewood, Santa Barbara, Long Beach, Alhambra, El Monte, Glendale and Riverside-San Bernardino.

Mrs. Roberta Ritter, who has been connected with the fire insurance department of Thompson, Kincaide, Hill & Powers of St. Louis for 26 years, is retiring.

L. F. Meyers, former Dodge City local agent, has resigned his position with Reconstruction Finance Corp. at Kansas City to seek the nomination as Democratic national committeeman for Kansas. He was a candidate for lieutenant governor at the last election.

Garrett & Reed, **Timb, O.**, has changed its name to Garrett-Reed-Felton. The members are C. Scott Garrett, Earnest L. Reed and William C. Felton.

Norman W. Adams, Jr., of **Warren, O.**, has become a partner in his father's agency here.

Stewart-Britton, Inc., **Akron, O.**, has been purchased by Tower Agencies. Ray C. Bliss is president.

Horace Pierce has purchased the agency of the late Frank Flower at **Junction City, Kan.**



BALANCE

As a youth you yearned for a BALANCE. The sense of BALANCE of an insurance agency today is representation of large and medium-sized companies. We can give it to you—why not write us now?

THE CAMDEN

Fire Insurance Association

CAMDEN, NEW JERSEY

NOW IN OUR SECOND CENTURY OF SERVICE



A Company Known by the Agents It KEEPS

EDITORIAL COMMENT

Management Control of Personnel

This is a good time for home and local insurance production offices to survey all employees carefully and grade them for desirability. An employee should be kept if possible. He is a key performer, knows his job, accepts responsibility and delivers the goods. He should continuously be recognized both in salary and consideration so that he is unlikely to be tempted by an outside offer.

A point frequently overlooked is that the more intelligent a person is, the more frequently he demands above all else the feeling of satisfaction in his work. Unless a first class man is getting a deep sense of well being out of performing his work, he is subject to the blandishments of an outside offer at the same or less money.

Grade A employees who have the special knowledge and know-how required for a job literally cannot be immediately replaced. If these employees are to be retained, their thoughts and moves must be anticipated by the treatment that they are to receive from their employers.

In most organizations, the executives would be pleased if 60% of their employees could be graded as B. These would be the employees who are steady but not spectacular performers, who can be depended upon for doing somewhat better than a perfunctory job and who respond intelligently to direction.

Service of an Insurer

Why the resources of an insurance company are necessary in the investigation of claims is illustrated by a recent experience of one insurer checking on a workmen's compensation case. The case involved a construction engineer who reported an injury as occurring in India. The injury caused the loss of an arm and a leg. It occurred in a road accident and a chief determining point was whether or not the construction engineer at the time was operating in the course of his employment.

Apparently one witness only could establish whether the accident had occurred in the course of employment. He was also an engineer. The company sent a man to India to locate him. He had left India and gone to Cairo. He was traced beyond Cairo to another foreign location. From that place he was traced to the British Isles and his address finally turned out to be just 10 miles from the home office of the

Very often the grade B employees can be retained by careful thought to the B group as a whole. This is in contrast to retaining the A group. Those who are in the A group may require individual attention.

In the C group could be classified those the management would replace without delay if A or B possibilities were available. Those in the C group are often retained because the management does not know where to obtain readily replacements likely to prove more efficient.

In the D group would be those scheduled for dismissal.

With or without a third world war, the coming year is sure to be one of employee strain. Within the next year something like one-fifth or one-fourth additional purchasing power is to be pumped into the national income by the preparedness program. If managements or home and local production offices are to retain any of the power of deciding whether an employee remains or goes, there must be pre-thinking and pre-acting by management before actual offers come to employees.

Management can grade employees today and then treat them in a way to retain a major part of the decision making as to whether they stay or leave. Unless that is done, the decision making power on staying or leaving is put entirely into the hands of the employee.

English company which had written the insurance in its United States branch.

That wasn't the end of the story. In order to get the witness back to the U. S., it was necessary to have the consent of his employer. That employer was willing for the engineer to leave his job. But there were conditions. One condition was that the engineer, to save time, should be flown from England to the U. S. Another condition was that the man while in the U. S. should be maintained at the Waldorf-Astoria in New York. A third condition was that the man's life be insured for the period of his trip for \$1 million.

Now all this was a sizable expense even for an insurance company. In proportion, however, it was no greater than would confront many an ordinary citizen who might seek to undertake the expenses necessary for investigating and defending a claim if he had to do the job himself.

PERSONAL SIDE OF THE BUSINESS

John Pabst, vice-president of Du-buque Fire & Marine at Chicago, in charge of casualty operations, has been visiting the Roy Wilcox general agency at Denver.

Lt. John A. Barry of the U.S.M.C., son of President **John R. Barry** of Corroon & Reynolds, was slightly injured in the railroad wreck in Mississippi the other day. Although there were seven stitches taken in his leg, Lt. Barry continued with his outfit.

J. H. Silversmith, president of the mountain field general agency with headquarters at Denver, known as J. H. Silversmith, Inc., is recuperating from an operation at Mayo Clinic at Rochester and will return to Denver in a few days. He marked his 60th birthday while at Mayo's.

THE NATIONAL UNDERWRITER regrets that due to a misunderstanding, it was stated that **H. A. Miller** will be attached to the Hackley school at Tarrytown, N. Y. Mr. Miller, who is a former well known fire insurance executive of Chicago, has gone to Tarrytown to reside. His son, Frank Miller, is the headmaster of the Hackley school but H. A. Miller will have no official connection with the school.

Charles T. Nichols, western Kansas state agent for Springfield at Great Bend, is now at the Mayo Clinic, Rochester, Minn., following several weeks in a Great Bend hospital. He was taken to Rochester by train accompanied by a nurse, and is reported to have made the trip satisfactorily. Deane S. Jaeger, state agent at Wichita, is assisting in western Kansas during Mr. Nichols' absence.

A generous flood relief program that was conducted by **Morton T. Jones**, president of Kansas City Fire & Marine, and has only just come to the attention of THE NATIONAL UNDERWRITER through an agent of that company, included the sending of checks to agents in every flood-ravaged town to be turned over to local relief agencies to help provide food, shelter and other necessities for victims of the flood. Incidentally, one check was returned from an agent along with an expression of appreciation saying that his particular community had been only slightly damaged in comparison to many other places and that the check might better be sent to some town whose need was greater.

Owen E. Barker, executive vice-president of Appleton & Cox, sailed with Mrs. Barker on the S. S. Coronaria for Europe. Included in his itinerary are England, Holland, Belgium, Switzerland, France, and Italy. After spending some time in London, Mr. Barker will go to visit the home offices of Reliance Marine and Maritime, for which Appleton & Cox is U. S. marine manager. He will go to Holland, Belgium, France and Italy where he will spend some time with his company's agents and other connections. In Zurich, he will stop at the home office of Alpina, for which Appleton & Cox is U. S. marine manager.

Mr. Barker will attend the convention of International Union of Marine In-

surance at St. Moritz. He is a director and second vice-president of American Institute of Marine Underwriters. The Barkers will return in mid-October on the S. S. Constitution.

J. B. Chapman, who has become associated with the Evans, Mills & Co., agency at Birmingham, is a past most loyal gander of the Mississippi Blue Goose and a past president of Alabama Field Men's Assn. He started in the business in 1926 at the head office of America Fore and two years later was transferred to Dallas to help open a new department there. In 1935 he was transferred to Mississippi. He went with St. Paul F. & M. in Mississippi in 1939 and in 1942 he was transferred to Albany, N. Y., for that organization. He returned to the Texas field at Dallas with American in 1943 and then returned to the St. Paul companies as Alabama state agent in 1945. For the past year he has been handling the Alabama field for the Atlanta managing firm of Jerome, Cowan & Mahone.

Samuel P. Rodgers, vice-president of Globe & Rutgers and State of Pa., has been in Chicago this week visiting Manager Samuel T. Johnson, State Agent Walter Collins, and agency connections.

Treasury Rules Issued on Flood Loss Deductibility

The Treasury Department has issued release S-2758, stating that losses of property resulting from the disastrous floods in the Missouri and Mississippi valley states will generally be deductible for federal income tax purposes. Certain rules were announced.

In the case of business property the losses are deductible to the extent permitted by existing regulations.

In the case of non-business property, losses may be deducted if the taxpayer itemizes such deductions and does not use the optional standard deduction. The deductible loss is the difference between the value of the property before and after the flood damage but not in excess of the adjusted tax basis of the property.

Salvage value and insurance, if any, must be reflected against the loss.

Taxpayers who have filed declarations of estimated tax and who have suffered such flood losses are entitled to file amended declarations to reflect the reduced net income.

Arnberger Joins N.A.U.A.

National Automobile Underwriters Assn. has appointed **Richard C. Arnberger** assistant branch secretary in the Pacific Coast office at San Francisco. He will be associated with Harold D. Sammis, branch secretary, and Claude J. Hubbard, assistant branch secretary.

Mr. Arnberger has had many years' experience in insurance on the Pacific Coast and in the east. He has been automobile underwriter, special agent and department manager. For the past five years he has been in the Pacific department of New Hampshire Fire as superintendent of the automobile and inland marine department.

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P. E. G. Grain Dealer, Chester, Pa. A charter a director late Chairman Mr. Good dealers' years and Dealers N. Assn., and also president Winchester Goodrich, retirement been a true was given in 1943 a Hanover

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P. E. GOODRICH, 89, chairman of Grain Dealers Mutual, died at Winchester, Ind., after an extended illness. A charter member of the company and a director since 1918, he succeeded the late Charles S. Clark of Chicago as chairman in 1947.

Mr. Goodrich was prominent in grain dealers' association activities over 50 years and was past president of Grain Dealers National Assn., National Hay Assn., and Indiana Grain Dealers Assn., also president of Goodrich Bros. Co., Winchester, and chairman of Acme-Goodrich, Inc., Indianapolis, until his retirement in 1948. From 1919, he had been a trustee of Hanover College. He was given an honorary LL.D. degree in 1943 and the new science hall at Hanover was named for him.

KENDRICK W. BROWN, 45, local agent at Jefferson, Ia., died from a heart ailment while on a 10-day leave from the navy. He had been recalled to navy duty as a lieutenant commander nine months ago. He had operated his agency 20 years and when called to duty was serving as a district director of Iowa Assn. of Insurance Agents.

FRANK D. HOLLOWAY, 43, of the Crowder & Holloway agency at South Hill, Va., died of a heart attack at Bracey, Va.

FRANK SMITH, formerly of the Funkhauser-Smith general agency of Springfield, Ill., died of a heart attack at Del Mar, Cal. He left the insurance business in 1949 after having traveled the Illinois field for about 30 years, originally with National Union and later as general agent for Corroon & Reynolds.

J. GILBERT DONAHUE, 52, a partner in Donahue Brothers, Philadelphia, died in Bryn Mawr hospital. He had been in the insurance business 29 years.

GEORGE F. NEWLANDS, 59, surplus line agent at Portland, Ore., died in a New York hospital where he had gone for treatment. He had been in the insurance business at Portland since the early 1920s.

WILLIAM GOETZ, former treasurer of American Surety, died suddenly while vacationing in New Brunswick, Can. He joined the company in 1903, was elected treasurer in 1940 and retired in 1948.

MISC Deaths
JAMES I. ALEXANDER, manager at Bridgeport, Conn., for New England Fire Insurance Rating Assn., died there.

MRS. F. R. GROSVENOR, wife of the Michigan state agent of Fidelity & Guaranty, died at her home at Birmingham, Mich.

NELSON E. TRIEBELS, claim manager at Pittsburgh for Fidelity & Deposit for 25 years, died at his home at Chatham Village.

J. DUANE KUHN, 38, Welch, W. Va., local agent, died at a hospital there. He was found lying on the floor of his garage with a bullet wound in his head.

DONALD B. NISBET, 67, local agent at Otsego, Mich., died there. He had conducted his agency since 1929.

ED GREEN, for many years with the Rio Grande Valley agency but more recently operating his own agency at Pharr, Tex., died there.

WILLIAM H. CARPENTER, 78, for many years in insurance work at Racine, Wis., died there after a short illness. He opened his agency in 1896, and formed a partnership with John D. Rowland in 1903, becoming president of the agency in 1931. He had been active in the agency until just before his death.

Warren Wichita Speaker

Bland Warren of the W. G. Matchette & Co. agency, formerly with Aetna Casualty at Kansas City, addressed Wichita Assn. of Insurance Agents on recent changes in the burglary manual. The annual meeting will be held Aug. 23.

Reports of a conference with the management of adjusting companies handling the Wichita hail loss of June 23 were given by President Joe Moddrell. Methods for expediting the final closing of some 12,000 losses from the storm were discussed at the conference.

H. K. Dent Tells Stand on Mo. Agents Resolution

President H. K. Dent of General of Seattle makes public the following letter to B. G. Gregory, executive secretary of Missouri Assn. of Insurance Agents, regarding the resolution adopted by the executive committee of the Missouri organization condemning the practice of insurers of dealing directly with insured on renewals and mentioning two companies specifically, one being General:

To say that I was extremely surprised to receive your letter of July 31 in which you quoted a resolution of your executive committee condemning the practice of our company for directly contacting the assured, especially on renewals, is putting it mildly. In fact, I was disturbed and very much put out with your association for passing a resolution on a matter as serious as this without first having all the facts.

It is true that our St. Louis office is practically autonomous and we are not familiar with everything they do but nevertheless they are supposed to, and I am quite sure they do, follow the policies of our company. One of our cardinal policies is to recognize the agent. I do not believe there is any company that endeavors to follow this principle more than we. It is not our practice or intention to send renewal notices direct to the insured and I can't believe that we do. Where an insured contacts us direct we always refer him to some agent and if the insured has no preference we suggest one.

I am not contacting our St. Louis office. I am so positive on this matter that I cannot help but believe your executive committee is nuts. If wrong I will gladly apologize, if not, I think you should. I await your reply with interest.

ST. LOUIS—A mail vote by members of the executive committee of Missouri Assn. of Insurance Agents gave unanimous support for the resolution condemning the practice of some insurance companies in soliciting policy renewals direct with the insured, B. G. Gregory, executive secretary of the association, states.

Expands New York Quarters

Appleton & Cox has expanded its facilities to include the eastern half of

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago

	Div.	Bid	Asked
Aetna Casualty	3.00*	96 1/2	99
Aetna Fire	2.25*	56	57 1/2
Aetna Life	2.50*	78 1/2	80
American Alliance	1.50*	30 1/2	32
American Auto	2.00	47	49
American Equitable	1.50	25	26 1/2
American (N. J.)	1.00	22 1/2	23 1/2
American Surety	3.00	53	55
Boston	2.65*	61 1/2	63
Camden Fire	1.15*	21	22
Continental Casualty	2.50*	67 1/2	69
Fire Association	2.60	62	64
Fireman's Fund	1.60	53 1/2	55
Firemen's (N. J.)	.70	22 1/2	24
Glens Falls	2.30*	57 1/2	59
Globe & Republic	.80	13	14
Great American Fire	1.50*	36 1/2	38
Hanover Fire	1.60	33	34 1/2
Hartford Fire	3.00*	136	138
Home (N. Y.)	1.80	37	38 1/2
Ins. Co. of North Am.	1.00*	72	74
Maryland Casualty	1.00	19 1/2	20 1/2
Mass. Bonding	1.60	26	27 1/2
National Casualty	1.50*	32	34
National Fire	2.50*	61	63
National Union	1.60	35 1/2	36 1/2
New Amsterdam Cas.	1.50	36 1/2	38
New Hampshire	2.20	39 1/2	41
North River	1.20	27 1/2	29
Ohio Casualty	1.20	59	Bid
Phoenix, Conn.	3.00*	82	84
Prov. Wash.	1.50	28	29 1/2
St. Paul F. & M.	1.60	31	33
Security, Conn.	1.60	32	34
Springfield F. & M.	2.00	45 1/2	47
Standard Accident	1.60	35 1/2	37
Travelers	14.00*	573	583
U. S. F. & G.	2.00	52	54
U. S. Fire	1.40	40	42

*Includes extras.

the fifth floor at 111 John street, New York. Numerous alterations will result in larger and more comfortable quarters for all departments. A lunchroom on the fifth floor is one of the innovations. Extensive renovations have been made on the fourth floor to provide sick-room facilities and enlarged space for the inland marine and production departments.

Rollins Burdick Hunter Raises Three Managers

Rollins Burdick Hunter Co. has named John L. Nelson, John E. Folkers, and Thomas J. Ocsek assistant vice-presidents in Chicago. Mr. Nelson manages the company's life, pension and group department. He joined Rollins Burdick Hunter Co. in 1940. Mr. Folkers, manager of the fire brokerage department, has been with the company 33 years. Mr. Ocsek joined the company in 1948 as an engineer. In 1950, he became an account executive, and in 1951, manager of the engineering department. He is former secretary of the Chicago Buckeye Club.

Am. Auto Commission Cut on Young Driver Risk Eyed

ST. LOUIS—The officers and executive committee of Insurance Board of St. Louis at the September meeting are expected to take cognizance of the recent announcement by American Automobile, reducing the commission to be allowed on class 2 risks (teenage drivers) to 15%. The new commission rate is now in effect on new risks and as of Sept. 1 on renewals.

American Automobile, it is understood, set forth its position in full in a bulletin to the field. It is understood the management feels such a step is necessary as a means of trying to preserve a market for the young driver risk.

Houston F. & C. Buys La. General Agency for Branch

Houston Fire & Casualty has purchased all of the outstanding stock of the Gottschalk general agency at New Orleans, and the agency has been converted to a branch office for Louisiana.

Robert F. Gottschalk, who was president of the general agency, has been named manager for Louisiana operations. Graber Kidwell, has been named associate manager. He has been at the home office at Ft. Worth as head of the workmen's compensation, liability and safety engineering departments.

A. L. Zaepfel has been named manager of the workmen's compensation and liability department at the home office, and W. E. Avery has been named manager of the safety engineering department.

Phillips Named Wis. State Agent of Royal Exchange

Royal Exchange has appointed Wendell D. Phillips state agent for Wisconsin. He succeeds James W. Howe who recently relinquished the position.

Mr. Phillips formerly was with Indiana Audit Bureau. He spent three years in military service, and completed courses in business administration at Butler University, where he majored in insurance and accounting.

Chicago Housewarming

Bergman & Lefkow Insurance Agency, which has just been organized around the core of a former brokerage organization of the same name, held a housewarming in its quarters in 1507 Insurance Exchange building, Chicago Tuesday, and there was a stream of visitors throughout the afternoon. This office has a complete air-conditioning system. It starts out with the agency

representation of Massachusetts Bonding, Continental Casualty, National Surety, American Eagle, Home and New York Fire. The main factors are Sam N. Bergman, Jerry Bergman, Bernard Lefkow, Herzl Mendelsohn, A. F. McCarthy and Walter Gubbins.

G.A.B. Opens at Hazelton

General Adjustment Bureau has opened a branch office at Hazelton, Pa., with Alfred R. Adey as manager. He is a graduate of Colgate University and has been with G.A.B. for 11 years, most recently at Wilkes-Barre.

Sparta Insurance to State Fund

The council at Sparta, Wis., has voted to place the insurance on city-owned buildings and contents with the Wisconsin state fire fund. The aldermen also favored diverting private insurance on the public library and schools to state insurance.

Donald O. Reinhackel, after four years as a marine, has been separated from the service as a sergeant, and will rejoin the Harold G. Reinhackel agency at Austin, Tex.

David L. Boyd, S. M. Wade, Jr., and Joe M. Baker, all veterans, have formed the Baker, Boyd & Wade agency at Chattanooga.

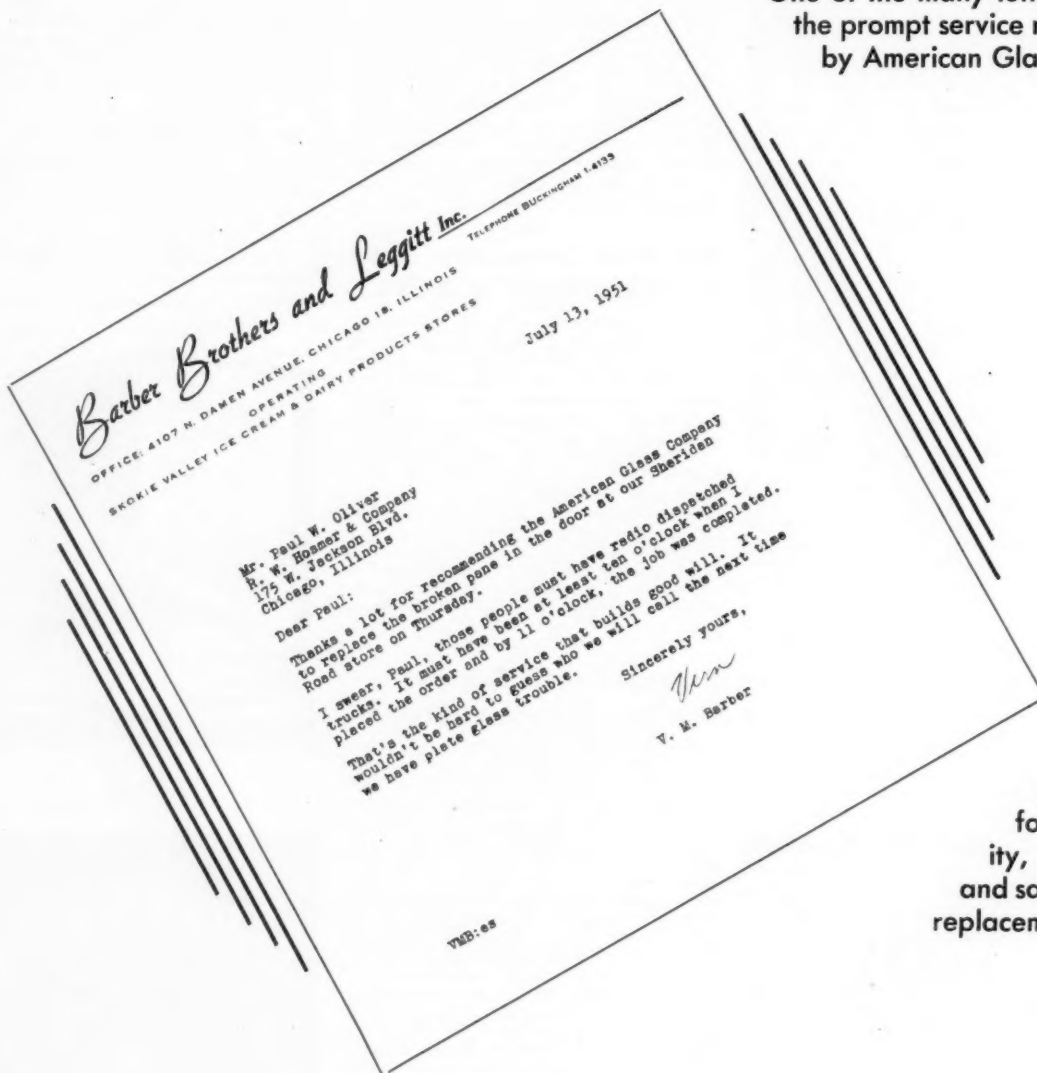
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A.E.C. Is Moving Most Fire Insurers Into Casualty

Smaller Companies Want to Protect Dwelling Business

The small amount of casualty in the additional extended coverage is having the effect of forcing practically all fire companies into the casualty business and doing so immediately as the A.E.C. is approved across the country. Many fire insurers of course already had revised their charters to do or be prepared to do multiple line underwriting. Quite a few, however, had not, particularly small ones, and some of several sizes may not have elected to broaden their bases at this time.

But the existence of glass and boiler covers in the A.E.C. has impelled many fire insurers to take the plunge now, in order to protect their dwelling business. Even if a fire company did not want to write the A.E.C., its reinsurance arrangements with other primary insurers might force it to do so. Issuing a combination policy for so small an endorsement is not regarded as a practical solution because it would be awkward, expensive in proportion to the premium, and would not constitute competitive protection.

Extra Money Hard for Few

For some companies the necessity of getting up additional surplus to qualify for underwriting glass and boiler apparently poses something of a financial problem. They cannot of course borrow the money. The route of 100% reinsurance is not an escape from the added surplus requirement though it might help slightly as to unearned premiums.

The smaller the company, of course, the more likely it is to be relying heavily on dwelling business and the more it is likely to face a financial problem. Apparently also the matter becomes more of a problem when a company domiciled in a state with low requirements is writing and wants to continue in a state with higher requirements.

It seems odd that there would have to be so large a requirement for such small business—for example, the \$50 deductible on the A.E.C. means insurers will seldom be called on to pay a glass loss. But insurers concerned about their dwelling business also are watching with apprehension the development of the package policy. The mutuals have such a policy, rated by the Transportation Rating Bureau, North America, Chubb & Son and Atlantic Mutual each has one.

Package Policy Worries

These companies apparently recognize that beyond the A.E.C. may lie the necessity of undertaking burglary through the limited theft endorsement to the fire policy, of including some other casualty coverages in a package for personal risks, such as comprehensive personal liability.

Thus the financial requirements multiply: In New York additional policyholders surplus to write glass is \$75,000, but for burglary it is \$225,000 and for liability \$375,000. Though it is difficult to generalize on the particular situation of the fire company in each state, in many of the states with the most insurance business, the

Counsel Federation Commissioners at Ready for Pow-wow Chicago Parley

The convention of Federation of Insurance Counsel gets under way next Wednesday evening, Aug. 23, with a round table of officers and board of governors at the Sheraton hotel, Chicago. The next morning there will be a meeting of officers and board members with committee chairmen and then there will be a general luncheon with a welcome talk by Insurance Director Day of Illinois.

That afternoon William E. Mooney, general counsel of Woodmen of the World Life of Omaha, will give a talk on "Appeal and Review Procedures in Fraternal Organizations," and Bert E. Strubinger, St. Louis attorney, will speak on unmasking of fraudulent claimants and malingerers. Paul A. Pfister, chief deputy of the Indiana department, will give "A Salute to the Insurance Industry."

Mr. and Mrs. Nathan Phillips of Toronto are sponsors of a reception and cocktail party that evening. The next morning M. L. Landis, general counsel of Central Manufacturers Mutual, will speak on "The 'All Risk' Policy."

Hubert S. Lipscomb, attorney of Jackson, Miss., will give a talk on "The Doctrine of Comparative Negligence."

That afternoon Gregory Brunk, general counsel of Homesteaders Life, will speak on "Life Insurance in Estate Programming," and Dwight Campbell of Aberdeen, S. D., will be heard on "Injury Without Impact." There will be a business meeting, an election of officers and the banquet comes that night.

added money required for each line is considerable.

A number of fire companies not previously in this field have indicated their intention of using the limited theft endorsement to the fire policy and have qualified to do so.

For glass, boiler, burglary and liability California requires an added \$50,000 each, Indiana \$150,000 apiece, Massachusetts \$200,000 each except glass which is \$100,000, Louisiana \$125,000 apiece, Minnesota and New Jersey \$100,000 each, Pennsylvania \$150,000.

In New York the ruling is that since fire companies already are permitted to write dwelling-class boilers up to 15 pounds pressure, the \$75,000 surplus requirement is not being imposed on fire insurers writing just A.E.C. In Pennsylvania it is.

A few fire reinsurers are said to be pinched to get up the additional requirements. The difference between the primary insurer and the reinsurer is that the latter must get up its money promptly to protect itself on its treaties, which will of course contain the A.E.C. Many companies, reinsurance and primary, had enough capital and surplus or the equivalent to more than take care of the requirements for the additional lines. With these companies qualification consists mostly in charter amendment.

It has been suggested that leaving out the glass cover and possibly the boiler also would have saved companies a lot of bother. However, the economics of the situation are that the smaller companies, many of which specialize in the dwelling field, would have had to come to this rubicon sooner or later anyway in order to protect their dwelling business.

As to rating, there does not seem to be too much of a problem. For example, New York Fire Insurance Rating Organization will handle the A.E.C. for members qualified by charter and deposit to write these lines. The same is true with the package policy of the mutuals, through the Transportation Insurance Rating Bureau.

A number of insurance commissioners or deputies were in Chicago the other day and were in executive session on an officially undisclosed company matter, reportedly, however, concerning claim practices. Supt. Bohlinger of New York accompanied by Al Bennett and Raymond Harris, was in the city to confer with Insurance Director Day of Illinois on the issue that has been raised by the latter as to the applicability of the Illinois retaliatory laws to the security fund programs in New York on workmen's compensation and automobile. Mr. Day will send Joseph R. Glennon of the Illinois department to Denver in September where the matter of uniform deposit laws and security fund legislation will be the subject of hearings before an N.A.I.C. committee headed by Kavanaugh of Colorado.

It is understood that the position of the New York department is that it is the New York policyholder that pays the fee into these security funds, so it is for his benefit exclusively. The out-state company merely collects the money and passes it back. There is a factor in the New York rate to offset the amount paid into these funds.

First Fund Set Up in 1935

The workmen's compensation fund in New York was set up in 1935 financed by 1% of net written premiums until the fund reached a certain figure. In 1939 the public motor vehicle liability security fund was set up for taxis with a 2% levy down to 1% until that fund reached a certain figure. In 1941 the life insurance guaranty fund was set up (this is not involved in the Illinois controversy) and in 1946 the motor vehicle security fund.

Frank Sullivan of Kansas, president of N.A.I.C., was in the city to make preliminary plans for the midwinter meeting of the commissioners at New York. Others on hand included Frank Viehmann of Indiana, accompanied by the department attorney, Clarence Merrill; John Holmes of Montana; D. D. Murphy, South Carolina, chairman of the executive committee of N.A.I.C., and Robert R. Butler, supervising examiner from Texas. W. E. Wall, chief examiner of the Illinois department, attended the session.

Chase Smith, general counsel of Lumbermen's Mutual Casualty, was host to the group one evening and Henry Moser, general counsel of Allstate, gave a golf party and dinner the next evening at which one of the guests was Robert E. Dineen, former New York superintendent and now vice-president of Northwestern Mutual Life.

Set Hearing on Surety Rates in Virginia

RICHMOND — The Virginia corporation commission has set Nov. 14 for a hearing on fidelity and surety rates and has called on Surety Assn. of America, which represents most of the companies writing the line in Virginia, to justify its rates. The commission states that it has reasons to believe the standard association rate for bonds, surety, forgery insurance and allied coverages are "excessive, inadequate and/or unfairly discriminatory." A commission spokesman said the regulatory body had not checked up on surety rates for a number of years.

The notification to surety companies apparently came as a surprise, and there were indications that representatives of the companies would go to Virginia before Nov. 14 to see if they could determine more specifically what the commission has in mind.

The Houston office of Trinity Universal and Security National Fire has been moved to 1909 Travis street.

Auto P.D. Excess Limit Is Still Untapped Field

Inflation and Congestion Create Big But Unsatisfied Insurance Need

By KENNETH O. FORCE

Oddly enough, little attempt seems to have been made by companies or agents to sell increased limits of automobile property damage liability cover, in spite of the fact that the claim files of the companies record an increasing number of cases in which \$5,000 does not cover the P.D. bill. The truck operator long ago recognized the P.D. risk and \$100,000 P.D. coverage is not uncommon in this field, when the trucker can buy it.

Yet the private passenger car competes on the road with some automobiles that cost \$5,000, with trucks that cost a good deal more, and in these days of fast roadways pass at high speeds very close by buildings that cost a good deal more than \$5,000.

Cost Ridiculously Small

It is true that big verdicts are much more frequent on the bodily injury side. Yet one key to the sale of more substantial and more adequate limits has been the extremely small difference in price between minimum limits and the larger amounts. The cost for additional amounts of property damage are also so small as to make the additional risk not worth insured's assuming, under any circumstances. The premium for \$10,000, for example, is 110% of that for \$5,000; for \$15,000, 115%; for \$20,000, 118%; for \$25,000, 120%; for \$30,000, 125%, and for \$100,000, 130%. Since the P.D. premium is one-third that of the B.I., it costs fewer extra dollars for the higher limits.

Because of the lesser frequency of large P.D. losses, agents may assume that the private passenger automobile owner is not conditioned to purchasing more adequate limits. That this is not true is indicated by the experience of one large producer who, recognizing the risk, notified all insured on his books that he was putting into effect \$100,000 property damage coverage at so much additional premium. The notice stated that insured could decline to accept the additional protection if he so desired. Very few turned down the increase.

Multiple Accidents

Congestion of the highways is of course responsible for much of the traffic accident misery these days. (The Triborough Bridge & Tunnel Authority in New York handled 9,657,438 automobiles over the triborough bridge in its first year 15 years ago, 29,372,246 in 1950.) This has led to an increased number of multiple accidents. Here is one convincing argument for substantial P.D. limits.

An illustration of the potential cost of tangling with a tractor-trailer truck and having to foot the bill is an accident that occurred not long ago in Connecticut. A tractor-trailer truck was going rapidly up a hill when a tire blew out on a private passenger car traveling in the opposite direction. The truck attempted to swerve away, but the private auto struck the truck in such

(CONTINUED ON PAGE 27)

Give Card for N.A.I.I. Regional Parley in Okla.

The program for the regional meeting of National Assn. of Independent Insurers at the Skirvin Hotel, Oklahoma City, Sept. 20-21, has been announced by Vestal Lemmon, the manager.

Commissioner Dickey of Oklahoma will give the address of welcome. The presidential address will be given by Walter L. Hays, president of American Fire & Casualty of Orlando.

Other features will be a talk by John C. Leslie, head of "Insurance Record," on his trips to England on insurance matters. The automobile accident problem will be discussed by H. E. Curry, vice-president and actuary of State Farm Mutual, and the excess loss problem will be discussed by J. B. Robertson, president of Employers Reinsurance.

Department Men to Speak

Also on the program are Deputy Commissioner Charles H. Robuck of Texas who will discuss "A" rates and Deputy Currey Sanders of Tennessee who will talk on rate administration.

Independent Statistical Service, a department of the association, also will hold its annual meeting with a report

on operations by Manager J. F. Gill.

The session Sept. 21 will be concerned with statistics and other related problems. Speakers are:

"Danger Signs for Automobile Insurance Writers," Edward R. Klammer, accident prevention division Allstate, Chicago; "N.A.I.I. Statistical Services," Mr. Gill; "Conversion from Bureau Automobile Statistical Plans to N.A.I.I. System," Roy Harlan, office manager Texas Casualty Ins. Co.; "Fire Statistics for Multiple Line Companies," F. W. Duboc, vice-president Western Casualty & Surety; "Crop Hail Statistics," F. O. Rutledge, secretary Farmers Mutual Hail, Des Moines.

Grange Fight in Ohio

COLUMBUS, O.—According to reports from Bowling Green, O., charges have been made there by the insurgent faction attacking the present administration of Ohio State Grange that kickbacks have been granted. Insurgents allege that the grange is now being dominated by the Grange insurance company. Ralph O. Brown of Hoytsville, who heads the Ohio Grange Fraternity Committee, has charged that Johnnie's Garage in Columbus furnished a sworn statement that a 10% kickback had been granted on five automobile repair bills amounting to about \$675. It is alleged that these kickbacks were made to a claim official of Grange Mutual Casualty.

Hoosier Adjusters Map Annual Parley



State Adjusters Assn. of Indiana is holding its convention at the Hotel Van Orman at Fort Wayne, Sept. 21-22. The picture shows the committee members at a meeting to perfect plans for the gathering. An attendance of 200 is expected. Local agents and company representatives are invited.

Principal speakers will be Commissioner Frank Viehmann of Indiana; Arthur M. Thurston, superintendent of the Indiana state police; Attorney John M. Kelly, Jr., of Fort Wayne; Attorney James Murray of Indianapolis, and R. Nelson Snider of Fort Wayne.

Lloyd Shaefer has resigned as vice-president of the state organization following his entry into military service. George Dunn, American States, Kokomo, succeeds him as vice-president.

Seated, from left are: Vance Knight, Jr., Buckeye Union Casualty, Fort Wayne; Earl T. Curtis, Fort Wayne, secretary-treasurer of the association; Harold E. Seaman, Farmers Mutual Liability, Fort Wayne, president of association; George Dunn, American States, Kokomo, vice-president, and W. M. Whinery, Fort Wayne Transit Co., chairman of the arrangements committee.

Standing, W. C. Couch, Couch Adjustment Co., Hammond; Robert Haley, Emmco, South Bend; Ralph A. Porter, M. M. Johnson Claims Service, Fort Wayne, chairman of publicity committee; Earl Montfort, Capitol Indemnity, Fort Wayne; Albert E. Bartlow, State Farm Mutual Auto, Indianapolis, chairman of entertainment committee; William Steinforth, Farmers Mutual Liability, Elkhart; Ralph Pickett, Hoosier Casualty, Fort Wayne; Jerome Witt, Western Adjustment, Fort Wayne.

Insurance Has Big Role in National Safety Congress

Many insurance executives will participate in the National Safety Congress convention at Chicago, Oct. 8-12.

Harry M. Pontius, Farm Bureau, Mutual Automobile, will preside over a session on farm safety. "The Safety Engineer and Home Safety," a talk by H. W. Heinrich, assistant supervisor of engineering and loss control at Travelers, will be given during the farm safety discussion. In the same meeting, T. J. Berk, Metropolitan Life, will speak on "Off the Job Safety." Norman Davis, assistant director Underwriters Laboratories, will speak on "Testing for Safety."

The Propeller Club of Chicago, headed by Edgar G. Dicus, assistant vice-president Marsh & McLennan, will conduct a panel on marine safety.

Tannery Accidents

L. A. Faulkner, Liberty Mutual, will discuss basic plans for accident prevention work in tanneries before tanning and leather products representatives. Arthur J. Shay, Zurich, will cite various accident hazards in tanneries and how they were corrected.

Oil drilling and production groups will hear K. R. Welsh, division engineer, Hartford Accident, discuss accident control and its effect on production operations.

Safety in the paper industry will be treated in discussions by G. W. Brahmst of the Factory Mutuals. A round table discussion on pulpwood logging will have John C. Mader of Employers' Mutual Liability as a participant.

Representatives of the chemical industry will hear Dr. E. G. Meiter of Employers' Mutual Liability, and R. C. Stratton of Travelers. Dr. Meiter will discuss chemical hazards in the printing and publishing industry, while Mr. Stratton will talk on "Disaster Plans for

Chemical Plants." Dr. W. J. McConnell of Metropolitan Life will present a medical program stressing safety in the glass and ceramic industry.

Other talks include "An Insurance Company Uses a New Approach to Fleet Safety," by W. G. Macintosh, Hartford Accident, and "Enriching Classroom Instruction," by Merrill C. Yost, Assn. of Casualty & Surety Companies.

John H. Kraus, Liberty Mutual, will demonstrate the use of visual aids for maintaining interest in accident prevention.

Insurance executives composing the congress' official body include Dr. D. B. Armstrong, 2nd vice-president Metropolitan Life, congress vice-president, and Trustees S. Bruce Black, president Liberty Mutual, and Morgan B. Brainard, president Aetna Casualty. Wallace Falvey, president Massachusetts Bonding, is a director.



In the good old summertime

Vacations provide the rest and recreation so necessary to employ efficiency and morale. When accident or sickness dissipates hard-earned vacation funds then the employer as well as the employee suffers.

A ZURICH GROUP WELFARE PLAN protects the employee's savings by providing benefits to meet unexpected medical and hospital expenses.

Your clients can make this protection available to their employees at a cost of less than one cent per hour per employee in standard cases. Your ZURICH REPRESENTATIVE will aid you in preparing plans to fit their needs. Consult him today for details.



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CHECK THESE SPECIFICATIONS

- ✓ 1. Accidental Bodily Injury Insuring Clause.
- ✓ 2. "His Occupation" Definition of Total Disability.
- ✓ 3. Non-aggregate coverage for as long as 120 months or to age 65—House confinement never required.
- ✓ 4. Lifetime Accident if desired.
- ✓ 5. Waiver of Premium after 90 days.
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Insurance Company
CHATTANOOGA



It's a wonder they grow up!

If you want to do a land-office business in Accident insurance, suggest to your clients that they follow their young children around for a few hours. Later, as they sign applications, they'll tell you it's a wonder any kids live to grow up.

Some parents are lucky and never face financial calamity because of medical expenses for an injured child. Others have been forced to mortgage their homes for the same reason.

If they purchase a Travelers Accident policy on their children, your clients can give their youngsters the best medical and hospital care—and won't have to mortgage their homes to pay for it.

THE TRAVELERS INSURANCE COMPANIES

HARTFORD, CONNECTICUT



N.Y. Department Analyzes 1950 Fidelity and Surety Experience

Insurers licensed in New York in 1950 had nationwide written premiums of \$48,712,306 in fidelity business and \$104,435,123 for surety, according to tables compiled by the New York department from company expense exhibits. Earned premiums for fidelity aggregated \$53,273,963, and for surety the figure was \$93,402,472.

In the accompanying tables, the figures for the years 1949 and 1950 include those of both casualty and fire companies writing fidelity and surety business. A columnar arrangement of expense groups has been changed to conform with the revised form of insurance expense exhibit.

Because of fluctuations in premium volume from year to year, expense ratios have been adjusted so as to relate certain types of expense to written premiums in order to present more accurate results. Expense ratios do not include federal income taxes.

For New York state, the department took off the direct premiums earned, and for fidelity business of stock companies in 1950, that was \$7,798,148, and

an incurred to earned loss ratio of 29.2. For the mutuals, the comparable figures were \$333,351 and 89.6.

Stock companies' surety business in 1950 in New York state was \$11,486,344 for a 12.9% loss ratio. The mutuals had premiums of \$6,544 and a 1.5% ratio. The reinsurance companies premiums were \$31,891 with no losses.

Tables showing surety figures and aggregates are on Page 28.

Lavigna to New Group Post

Zurich has appointed Sherman J. Lavigna superintendent of group sales in Chicago. Ray W. Melvin, metropolitan district group manager, will succeed Mr. Lavigna as regional manager of the eastern group department at New York.

Thomas Eader, assistant manager of the fidelity and surety department of Travelers at Milwaukee, is again a grandfather. The father is Richard Pooler, field supervisor of Travelers at Des Moines.

There is only

ONE WAY

Reduced automobile rates will only come with fewer accidents and sensible claims costs.

Agents can prove their importance in this business by conveying the real story of insurance rates to the public through local advertising—through business associations. Add your efforts to that of safety organizations.

Sell safety and sanity to reduce accidents and claims costs.

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INSURANCE CO. LTD.
FIRE & MARINE INSURANCE
COMPANY OF NEW YORK

THE YORKSHIRE
INDEMNITY CO. OF NEW YORK

90 JOHN STREET
NEW YORK 38, NEW YORK

Fidelity Stock Companies

	Countrywide									
	Net premiums written	Losses incurred (adj.)	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Expense Analysis to acq. to exp. to fees to written	Comm.	Other General	Taxes &	
Accident & Casualty	22,275	49,792	—	—	—	—	—	—	—	—
Aetna Casualty	1,900,897	2,328,903	28.6	51.3	20.1	9.7	17.0	13.9	7.2	3.5
American Auto Ins.	401,065	272,382	72.8	111.4	-84.2	42.3	21.5	25.0	19.7	2.9
American Bonding	—	—	—	—	—	—	—	—	—	—
American Casualty	222,024	167,991	22.2	65.4	12.4	10.1	27.1	6.7	18.2	3.3
American Employers	364,647	424,221	29.1	60.1	10.8	20.4	18.7	7.2	10.8	2.9
American Guar. Liab.	255,478	285,537	45.7	54.2	1	7.7	14.8	16.7	11.3	3.7
American Ins.	2,476	234	—	—	—	—	—	—	—	—
American Motorist	282,117	265,031	48.7	39.6	11.7	8.1	11.7	8.4	9.3	2.1
American Surety	2,311,194	2,508,107	20.4	55.2	24.4	8.3	17.5	10.2	15.8	3.4
Associated Ind.	44	6,285	—	—	—	—	—	—	—	—
Bankers Ind.	10,897	10,087	67.6	74.2	-41.8	15.0	22.4	6.6	24.2	3.0
Boston Ins.	4,078	1,071	—	—	—	—	—	—	—	—
Camden Fire	4,445	350	—	—	—	—	—	—	—	—
Car & General	4,486	4,455	—	—	—	—	—	—	—	—
Central Surety	222,263	222,391	42.2	46.3	10.5	6.5	7.5	2.9	24.4	4.9
Century Indemnity	372,254	453,292	21.2	59.9	18.9	11.3	20.7	10.4	13.2	2.3
Columbia Casualty	162,709	179,574	13.3	61.1	25.6	9.3	17.5	6.0	25.0	3.3
Commercial Casualty	154,085	127,749	-7.6	48.9	63.7	6.5	20.0	5.8	8.6	3.0
Connecticut Fire	323	178	—	—	—	—	—	—	—	—
Continental Cas.	641,569	719,888	43.5	33.9	2.6	9.5	17.5	10.5	12.3	4.1
Employers Liab.	491,305	542,547	18.8	60.2	21.0	17.2	7.2	11.8	20.1	3.9
Federal Ins.	750,884	305,806	48.6	63.5	-12.1	4.1	46.0	6.5	4.9	—
Fidelity & Casualty	1,751,463	1,882,333	30.5	60.0	9.5	12.9	12.8	8.2	21.8	4.3
Fidelity & Deposit	4,535,587	5,809,307	28.1	63.2	9.4	8.0	22.0	18.7	12.8	3.7
Fire Ass'n Phila.	4,152	478	—	—	—	—	—	—	—	—
Fireman's Fund Ind.	400,822	512,913	8	58.8	40.4	11.1	18.6	12.3	13.2	3.6
Fireman's Fund Ins.	47,592	58,033	30.8	31.0	28.2	2.6	23.8	2.1	2.1	4
Founders F. & M.	14,519	11,764	—	—	—	—	—	—	—	—
General Acc. F. & L.	16,967	16,097	49.8	4.8	7.0	4.8	14.6	6.5	14.8	2.8
General Casualty	282,783	305,837	29.2	47.2	23.6	3.3	16.7	6.2	18.2	2.9
Glens Falls Ind.	359,540	397,970	20.6	72.7	6.7	15.5	20.6	8.9	22.5	5.2
Globe Indemnity	381,739	575,016	24.8	64.4	8	10.1	21.0	10.9	18.1	4.3
Great American	399,236	467,386	16.7	67.7	15.6	10.8	18.5	14.3	20.0	4.3
Granger of N. A.	129,676	127,949	38.9	56.8	5.3	4.5	30.7	9.3	8.4	2.9
Hanover Fire	4,448	741	—	—	—	—	—	—	—	—
Hartford Acc.	2,418,498	2,838,284	40.0	56.1	3.9	9.8	18.3	7.9	16.7	3.4
Hawkeye Security	6,424	6,862	—	—	—	—	—	—	—	—
Home F. & M.	11,898	14,508	—	—	—	—	—	—	—	—
Home Indemnity	358,085	352,800	21.8	64.6	13.6	13.6	13.1	5.5	39.5	2.9
Indemnity of N. A.	1,583,094	1,849,902	42.0	45.3	12.7	8.2	6.7	13.0	13.6	3.8
Insurance of N. A.	1,010	719	—	—	—	—	—	—	—	—
International Fid.	123,253	101,684	13.2	62.8	24.0	3.5	7	12.7	43.8	2.1
Liv. London Globe	28,294	—	—	—	—	—	—	—	—	—
London Guar.	34,253	41,873	37.4	50.4	45.9	-1.0	5.2	16.1	24.1	6.0
London & Lanc. Ind.	38,237	39,602	31.2	47.5	21.3	12.1	11.4	6.4	12.9	4.7
Manufacturers Cas.	131,473	121,502	44.1	57.3	-1.4	8.6	30.5	9.5	15.7	3.0
Maryland Casualty	2,129,006	2,210,246	38.9	53.4	9.7	12.6	18.6	11.3	7.5	3.4
Mas. Bonding	966,500	1,091,104	19.3	55.5	25.2	1.3	23.3	10.8	17.0	3.1
Metropolitan Cas.	136,713	152,502	13.7	50.3	36.0	4.9	22.7	7.8	11.8	3.1
National Casualty	11,835	23,999	21.6	32.1	45.3	2.8	19.1	6.3	7	4.6
National Surety Corp.	3,245,173	3,876,660	25.5	63.6	10.9	9.5	22.1	11.7	16.7	3.8
Newark Fire	18,505	—	—	—	—	—	—	—	—	—
New Amsterdam Cas.	1,096,713	1,130,286	16.9	60.2	22.9	7.7	24.1	14.3	11.5	2.6
New England Ins.	12,842	11,655	—	—	—	—	—	—	—	—
New York Casualty	718,132	778,623	20.4	55.2	24.4	8.3	17.5	10.2	15.8	3.4
Ocean Accident	183,382	216,831	31.1	58.7	10.2	8.9	11.7	4.6	30.0	3.5
Old Colony Ins.	1,748	459	—	—	—	—	—	—	—	—
Pacific Indemnity Fire	156,196	217,193	33.0	58.1	8.9	12.4	29.5	—	13.7	2.5
Peoples Cas.	250,262	327,145	28.3	32.7	39.0	—	21.1	7.2	2.0	2.4
Phoenix Indemnity	46,781	42,400	44.9	81.0	-25.9	15.5	5.1	19.1	33.2	8.1
Phoenix Ins. Co.	536	-295	—	—	—	—	—	—	—	—
Potomac Ins.	2,906	1,789	—	—	—	—	—	—	—	—
Preferred Acc.	24,123	29,437	46.9	121.9	-68.8	20.6	25.6	23.0	47.2	5.5
Providence-Wash. Ins.	4,448	250	—	—	—	—	—	—	—	—
Queens Ins.	42,440	—	—	—	—	—	—	—	—	—
Reliance Ins.	1,372	420	—	—	—	—	—	—	—	—
Royal Indemnity	420,477	622,935	34.8	64.3	9	10.1	21.0	10.9	18.1	4.2
Royal Ins.	33,009	—	—	—	—	—	—	—	—	—
St. Paul-Mercury	587,205	609,371	33.1	29.4	37.5	9.1	-11.8	14.6	11.5	6.0
Seaboard Surety	809,355	710,349	22.3	47.8	29.9	7.4	25.1	5.9	7.0	2.4
Springfield F. & M.	7,364	1,483	—	—	—	—	—	—	—	—
Standard Accident	860,079	888,123	19.4	56.4	24.2	7.6	17.1	12.8	16.0	2.9
Star Ins.	14,147	—	—	—	—	—	—	—	—	—
Star Indemnity	29,611	41,220	-6.0	32.9	53.1	19.2	15.4	4.1	8.9	5.3
Surety Fire	159,585	173,627	20.4	55.2	24.4	8.3	17.5	10.2	15.8	3.4
Thames & Mersey	4,710	—	—	—	—	—	—	—	—	—
Travelers Indemnity	1,121,697	1,109,527	28.5	65.4	6.1	11.9	19.7	19.6	11.2	3.0
United Pacific Ins.	133,098	115,089	11.0	44.8	44.2	2.3	18.1	11.4	11.4	3.6
United Nat. Ind.	57,186	54,099	33.1	79.3	-12.4	29.6	13.6	9.2	22.9	4.0
U. S. Casualty	195,065	211,508	29.1	63.4	7.5	27.3	18.2	2.2	12.8	2.9
U. S. Fd. & Guar.	3,981,372	4,651,915	27.8	70.1	11.4	11.4	20.8	21.7	13.9	2.8
U. S. Guarantee	1,873,803	1,024,893	43.5	80.4	-23.9	10.3	8.5	12.7	44.7	4.2
Virginia F. & M.	5,895	—	—	—	—	—	—	—	—	—
Yorkshire Indemnity	36,427	49,453	34.8	60.7	4.5	3.7	45.8	2.9	6.5	1.8
Total-Stock Cos.	\$41,296,792	\$45,004,929	29.0	59.2	11.8	9.9	18.1	12.8	15.0	3.4

Mutual Companies

American Mut. Liab.	\$309,790	\$208,883	39.2	55.6	5.2	8.9	3.3	27.3	14.0	2.1
Employers Mut. Liab.	201,325	136,117	25.4	69.3	5.3	9.6	-11.5	34.9	33.3	3.0
Farm Bureau Mut. Auto.	4,722	3,966	—	—	—	—	—	—	—	—
Liberty Mut. Ins.	1,058,156	983,774	41.3	33.2	25.5	9.2	—	10.1	11.7	2.2
Lumbermens Mut. Cas.	658,273	618,273	48.7	37.7	13.6	8.9	8.7	8.8	9.7	1.6
Nat'l Grange Mut. Liab.	14,099	7,235	—	—	—	—	—	—	—	—
Surety Mut. Casualty	152,687	129,167	116.0	63.0	-79.0	9.8	53.5	-8	5	—
Total-Mutual Cos.	\$2,399,052	\$2,087,546	46.7	60.9	12.4	9.1	5.3	12.4	12.1	2.0

Reinsurance Companies

American Reins.	\$1,167,787	\$1,474,928	31.1	57.5	11.4	2.5	51.6	1.9	1.4	1
Employers Reins.	542,398	949,928	24.0	52.2	23.8	3.3	43.9	2.6	1.1	2.2
Excess of America	243,939	224,185	44.4	52.8	2.8	5.8	42.5	1.8	2.3	4
General Reins.	1,126,010	1,503,790	29.1	47.5	29.4	1.7	42.3	7	2.7	1
North Amer. C.S. Reins.	1,125,993	1,758,272	32.6	50.4	17.0	1.6	47.0	3	1.2	3
Reins. Corp. of N. Y.	4,448	350	—	—	—	—	—	—	—	—
Swiss Reins.	798,692	260,035	74.6	49.6	-24.2	2.1	47.5	—	—	—
Total-Reins. Cos.	\$5,016,262	\$6,181,438	32.3	51.9	15.8	2.3	46.4	1.2	1.6	4

Phoenix of Hartford Names Gloss, Harrison on Coast

Robert C. Gloss has been appointed assistant manager of the Pacific department of Phoenix of Hartford, and Will H. Harrison, Jr., has been named superintendent of inland marine and miscellaneous lines with headquarters at Los Angeles.

Mr. Gloss' principal duties will continue in the inland marine and miscellaneous lines division. He is a graduate of California University. He started in the business with Aetna Casualty in 1936. After service in the navy he went with Phoenix as inland marine special agent in southern California and in 1945 was transferred to San Francisco as superintendent of inland marine and miscellaneous lines.

Mr. Harrison entered the business with Royal-Liverpool group

Call for Minimum Premium Data

A call for data on minimum premiums has been sent out by the subcommittee of the committee on rates and rating organizations of National Assn. of Insurance Commissioners. This has gone to all of the rating organizations in the fire and casualty field and also to the four regional fire advisory associations. The subcommittee asked that a comprehensive memorandum on minimum premiums be submitted on or before Oct. 1. This will enable the subcommittee to get up a report for the December meeting of commissioners in New York.

Members of the subcommittee are Joseph F. Collins, chief of the rating bureau of the New York department; S. Tyler Nelson, in charge of the rating bureau of the Illinois department, and Frank Montesani, chief of the bureau of rate regulation for California. The subcommittee was established after a resolution adopted by zone 4 in April. This resolution pointed out that rate regulatory laws encompass minimum premiums and recommended that commissioners ask the business for a practical working guide, formula or definition of minimum premiums, including the elements or factors used in their promulgation and purposes they are designed to serve.

Differences in Minimum Premiums

The call by the subcommittee points out that minimum premiums or rules establishing them may differ in the several lines of insurance, or for classes of risks, or on types of policies. There are also differences with respect to the extent and degree which minimum expense or minimum exposure to loss may enter into the determination of such premiums. Differences may also exist territorially for several reasons.

The minimum premium device takes several forms. For example, there is the simple minimum premium on a fire policy, say \$7.50, to meet the basic handling expense. In some casualty lines there is a minimum amount of insurance, say \$1,000. Then there is the minimum premium that obtains for the personal property floater, or the minimum premium deposit required in connection with reporting forms, which are expensive to handle, etc. Such premiums are used in some lines to get an adequate amount of premium for the exposure.

Tennessee Auto Rate Increase on Regional Basis

NASHVILLE, TENN.—New automobile B.I. and P.D. rates, set on a regional basis, have been approved by Commissioner Allen, effective Sept. 1. The rates approved represent an increase of 20% on B.I. and 30% on P.D. in Nashville, Memphis, Chattanooga and Knoxville, with increases of 10% on B.I. and 20% on P.D. in the rest of the state. A proposed 28.7% statewide increase on B.I. was disapproved by Commissioner Allen. It is estimated that the rates adopted will mean an additional \$1,420,000 in premiums as compared with \$2,260,000 under first increases proposed.

Proposed B.I. Increase Rejected

Commissioner Allen rejected entirely the National Bureau's proposed 8.9% increase in B.I. rates on commercial cars.

After increases the combined rates in the four major population areas will be: Nashville, class 1, \$43; class 2, \$61, and class 3, \$59; Hamilton county (Chattanooga), \$46, \$65 and \$63; Knox county (Knoxville), \$43, \$65 and \$57; Shelby county (Memphis), \$37, \$52 and \$50. For Bristol, as an example of favored areas, they will be \$29, \$40 and \$38.

A protest by Tennessee Assn. of Insurance Agents was responsible for a

second hearing. It suggested that rates be on a regional basis.

OKLA. MAY ASK DELAY

OKLAHOMA CITY—Oklahoma insurance board probably will ask National Bureau of Casualty Underwriters to delay the increased rates on automobile liability insurance that are due to become effective Aug. 20 until after a hearing set for that date by the board.

The bureau was notified that unless it appears and fully substantiates its filing with facts and figures, the entire filing will be rejected. After reviewing protests filed against the increase, the board asked that the protests be pre-

pared so as to meet the requirements of law and not be vulnerable to technical objections. Protest was filed by Mott Keys, former rate expert for the board, and Robert Cunningham, state legislator.

IA. ACTION DEFERRED

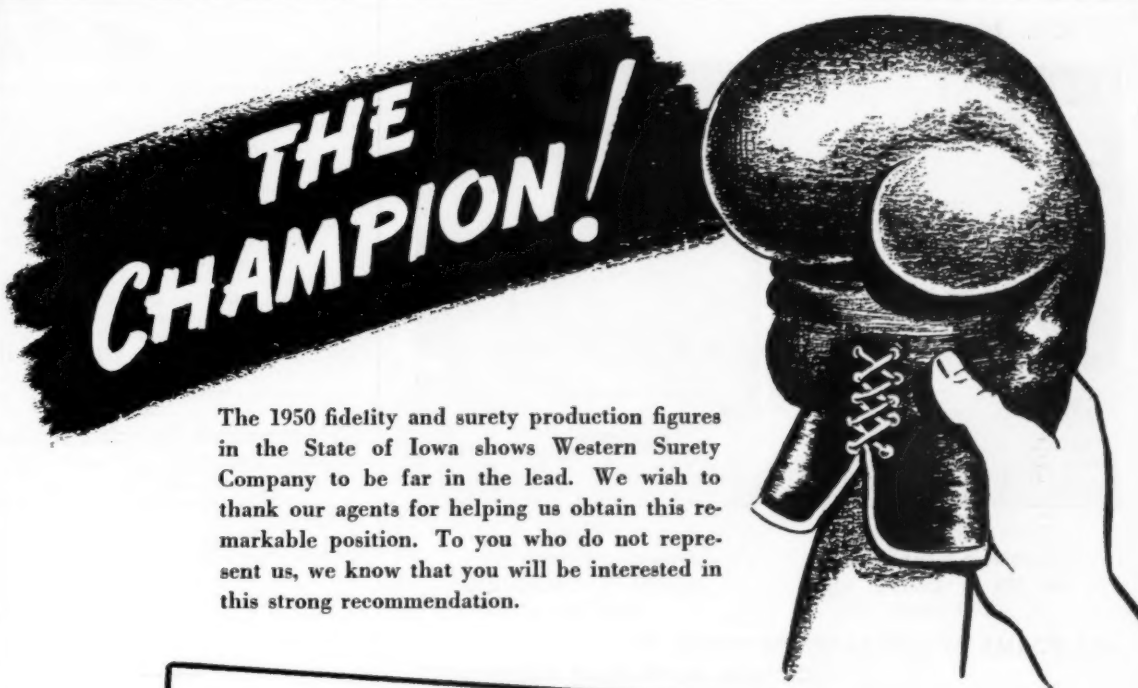
DES MOINES — Commissioner Fischer has taken under advisement a request by National Bureau of Casualty Underwriters for a 28 to 30% increase in auto rates in Iowa, following a hearing. He granted the hearing after turning down the original request, at which time he suggested an increase of from 5 to 7%.

Thomas O. Carlson represented National Bureau at the hearing.

Quits Private Car Cover

Colonial of Los Angeles has notified its agents it intends to cancel all its private passenger car automobile liability as of Sept. 30. It will discontinue writing private passenger car coverage.

The Kansas City branch of Hartford Accident has moved to the eighth and ninth floors of the Insurance Exchange building from the Fidelity and Fairfax buildings to secure increased space. Paul A. Dow is manager.



THE CHAMPION!

The 1950 fidelity and surety production figures in the State of Iowa shows Western Surety Company to be far in the lead. We wish to thank our agents for helping us obtain this remarkable position. To you who do not represent us, we know that you will be interested in this strong recommendation.

IOWA, 1950	
I. WESTERN SURETY COMPANY	
II. _____	\$240,855
III. _____	169,584
IV. _____	162,531
V. _____	161,454
VI. _____	157,692
VII. _____	130,401
VIII. _____	120,201
IX. _____	117,444
X. _____	93,344
XI. _____	93,110
XII. _____	91,434
XIII. _____	86,538
XIV. _____	84,931
XV. _____	84,638
XVI. _____	81,481
XVII. _____	79,264
XVIII. _____	77,982
XIX. _____	60,035
	54,926

WESTERN SURETY COMPANY

One of America's Oldest Bonding Companies

175 West Jackson Blvd.
Chicago, Illinois

1700 Commerce St.
Dallas 1, Texas

Sioux Falls
South Dakota

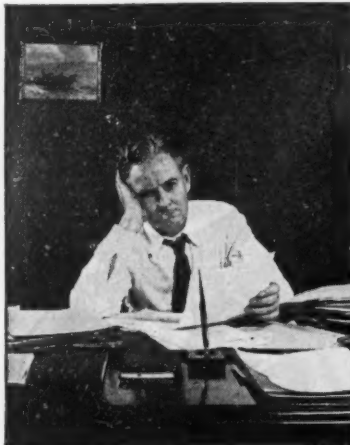
21 West 10th Street
Kansas City 6, Mo.

"WOULD THAT MISTAKES COULD BE SOLD
FOR AS MUCH AS THEY COST"

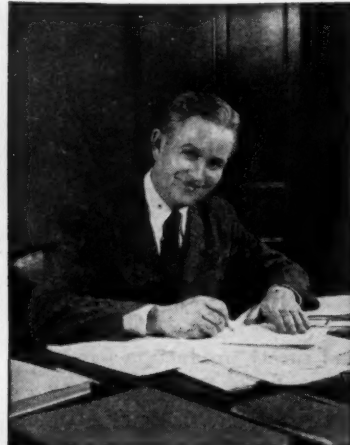
IF YOUR BUSINESS IS "INSURANCE" QUIT WORRYING ABOUT YOUR BUSINESS

Incompetent, inexperienced or indifferent employees may be the cause of claims against you for loss due to ERRORS and OMISSIONS in the conduct of your business, which may result in heavy financial loss to you or even ruin your business.

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Roy Landstrom with Mutual Service

Roy W. Landstrom, who resigned recently as vice-president in charge of the northwest region for THE NATIONAL UNDERWRITER, has now become connected with the Mutual Service Insurance group of St. Paul as administrative assistant in charge of sales promotion work. He will be closely associated with Agency Vice-president Eugene B. Rogers. This group of companies consists of Mutual Service Life, Mutual Service Fire, and Mutual Service Casualty.



R. W. Landstrom

Mr. Landstrom is a graduate of University of Illinois and he had been with THE NATIONAL UNDERWRITER nearly 30 years. He was at one time engaged in advertising makeup work for the publication, but most of his experience was in the sales end of the business and he has an extensive acquaintance among insurance people in all branches, especially in Minnesota and Wisconsin. His home has been at Minneapolis for a good many years.

Crimans Ind. Special Agent

National Fire has appointed William H. Crimans casualty special agent for Indiana with headquarters at Indianapolis.

A navy veteran and a graduate of Purdue, he was an instructor in the school of insurance at Indiana University and subsequently entered a local agency at Lafayette. Following this he was in the local agency business at Elwood.

New Officers at Atlanta

New officers of Atlanta Assn. of A. & H. Underwriters are John W. Bachman, Provident Indemnity Life, president; James R. Henderson and William R. McConnell, Spratlin, Harrington & Co., vice-presidents, and Jarrett L. Davis, Provident Life & Accident, secretary-treasurer.

Hartupee Joins Northland

Charles H. Hartupee of Red Wing, Minn., has been appointed agency manager for Northland Ins. Co., of St. Paul. He was underwriting manager for

Hardware Mutual Casualty at Minneapolis. He served several years on the governing committee of Minnesota compensation rating bureau and the automobile assigned risk plans in Minnesota, North and South Dakota. He has been in insurance 21 years.

Christopher Agency Chief

Henry C. Christopher, who left the home office of American Hospital & Life of San Antonio six years ago to become manager at Dallas, has returned to the home office as vice-president and director of agencies. He will have complete charge of the 33 agencies and branch offices.

U.S.F.&G. Names McKee

Wayne McKee, Jr., has been appointed assistant manager at Pittsburgh for U.S.F.&G. He has been field assistant in the agency department at Baltimore.

Angvik to Field & Co.

Arthur M. Angvik has been appointed vice-president of T. C. Field & Co., St. Paul general agency, and will have charge of the bond department.

For 21 years he has been with the bond department of Aetna Casualty at St. Paul and Minneapolis and since 1940 has been bond superintendent, except for service in the navy. He is a graduate of University of Minnesota and attended Minnesota College of Law. He is past president of Minnesota Surety Assn.

Harn to Local Agency

Willard E. Harn, field supervisor for U. S. F. & G. at Cleveland, has resigned to become a partner in the local agency of V. D. Hadlock & Co.

Pacific Employers has consolidated three of its Los Angeles office units, at different addresses, into one office at 6435 Wilshire boulevard.

George M. Horter, office manager of National Bureau of Casualty Underwriters at Austin, Tex., has resigned to go with Despard & Co., New York City brokers.

ACCIDENT

Must Answer Questions of Prospect in Right Way

W. D. Bacon, general agent of Crown Life and General Accident at San Antonio, told Austin Assn. of A. & H. Underwriters that failure on the part of the A. & H. salesman is the result of his failure to answer the questions of the prospect in the right way.

He said the prospect expects the agent to tell him why he can't do without the protection offered. When the agent is confronted with the statement, "I can't afford it," he should ask the prospect why he can't afford it. Mr. Bacon declared that if the question is answered correctly the agent is on the safe track.

If the prospect says he is "insurance poor," he suggested that the salesman ask the prospect if he may see his policies. He would then have the salesman show the prospect just what his policies will do for his family and himself.

Mr. Bacon said that when the amount of insurance is gone over the salesman has in most instances shown the prospect the inadequacy of his insurance in the accomplishment of the things he desires for his family and himself.

New Nat'l Casualty Policies

The new individual and family hospital, surgical and nurse expense policies of National Casualty are written on the basis of \$5, \$7.50, \$10 or \$12 per day hospital benefit, with total hospital expense payments on a sliding scale. For one day the patient receives

Anchor's JR. Comprehensive "3-D" Blanket Bond



does a **MAN SIZE JOB**

Small in Cost...Big in Performance
IDEALLY SUITED TO THE SMALL BUSINESS RISK

"You can set your cap for a real sale," says Bos'n Dan—the "3-D" Man, "when you take ANCHOR'S JR. COMPREHENSIVE BLANKET BOND aboard." It's as trim as they come and holds to the line in price and coverage. "Gentlemen prefer Bonds," he says, "especially ANCHOR'S JR. COMPREHENSIVE for small business risks."

\$2,500 COMPLETE COVERAGE Including:
(Not more than 9 employees)
\$1,000.00 Honesty Coverage—Blanket Fidelity, Primary Commercial Form*
500.00 Money & Securities (Broad Form), Blanket, Inside and Outside Premises*
500.00 Safe Deposit Box Coverage—on Leased Safe Deposit Boxes*
500.00 Forgery & Alteration Cover—Outgoing Paper, excluding Employee—Forgery Hazard*
\$2,500.00 TOTAL *Increased limits available



SEE YOUR ANCHOR MAN FOR COMPLETE DETAILS OR WRITE...

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up to four times the basic daily benefit, two days six times, three days eight times and up to 19 times for 10 days, with basic benefit only for the next 90 days. It also provides \$5 per day for nurse at home for 100 days, surgical schedules of \$5 to \$150, \$7.50 to \$225 or \$10 to \$300, in or out of hospital, in addition to hospital expense. Full coverage is provided for female diseases but maternity is covered only under the family policy for 10 times daily hospital benefit after 10 months, with double benefit for twins. There is no reduction in benefits for age. Polio coverage up to \$5,000 is offered by rider.

Plan Texas Congresses

The executive committee of Texas Assn. of A. & H. Underwriters met at Austin with O. D. Harlan of San Antonio presiding, to discuss sales congress plans. It was tentatively decided that the congresses should open the first week of December. They will be held at Houston, Austin, Dallas, Wichita Falls, and at Oklahoma City in cooperation with the Oklahoma association. President Emerson Davis, Inter-Ocean, Dallas, announced that L. C. Woodham, Great American Reserve, Dallas, first vice-president, will supervise the sales congress arrangements. He also announced that Mr. Woodham will devote his time to the associations in north Texas and W. D. Bacon, General Accident, San Antonio, second vice-president, will supervise the associations in south Texas.

Would Forestall Objections

C. E. McDonald, Guardian International, Dallas, addressed San Antonio Assn. of A. & H. Underwriters on meeting objections before they are voiced by the prospect. He said objections start with "but" and that the salesman can slide into oblivion on them. He declared that to prevent this the salesman must answer capably the subconscious objection of the prospect or rather his subconscious reaction. He stressed the importance of foreseeing and forestalling the expression of an objection by keeping constantly before the prospect the thought of his needs. The association voted to hold a breakfast meeting Sept. 11, when the executive committee of the Texas association will meet at San Antonio. A. D. Anderson, Occidental Life of California, program chairman, gave a preview of the coming season's programs.

Warner Again Leader

The C. A. Warner agency of Hartford again led the A. & H. department of General Accident in production for each of the past 12 months. Mr. Warner has been district manager there since 1935. J. Vincent Budds is assistant manager.

COMPANIES

Fort Scott Team Premiums Up 17%

Combined premium writings for the first six months of 1951 of Western Casualty & Surety and Western Fire of Fort Scott were \$10,677,785, which set a new record for such a period. This was an increase of \$1,543,299 or 16.9% over the same 1950 period. There was a statutory underwriting loss of \$275,577 and an increase in premium reserve of \$1,260,308.

Assets of the casualty company were \$18,013,249, an increase of \$490,751 and surplus was down \$255,059. Assets of the fire company were \$9,073,641, increase \$668,255 and surplus was up \$141,588.

P. W. Bonthron Retiring

P. W. Bonthron, assistant secretary of Hartford Accident, is retiring on the

advice of his physicians. He has been with the company since 1934, and has been assistant secretary since 1936.

Am. Fidelity Retains 23-Man Unit in Vermont

Although part of the home office activities of American Fidelity have been moved from Montpelier, Vt., to Manchester, N. H., there will remain at Montpelier in the home office building, which will continue to be owned by the company, about 23 persons. They will maintain the records and take care of the company's Vermont interests. The

New Hampshire group, of which American Fidelity is a member, recently completed a \$2 million office building at Manchester with ample room to house the casualty facilities there. Also, due to the increased identity of operation between fire and casualty companies, close association is desirable. Complete facilities will remain in Vermont for the handling of all Vermont operations and the corporate records will be kept there.

When New Hampshire Fire bought American Fidelity in 1945, the latter company had premiums of \$355,000 and employed nine persons. Presently the American Fidelity writings are at the

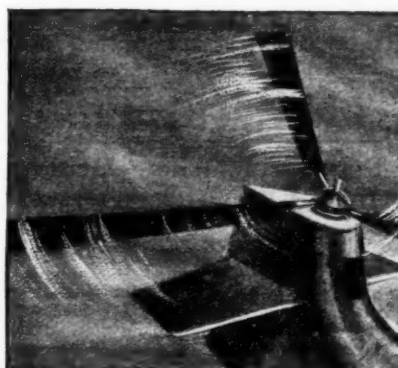
rate of \$3½ million annually and there are 140 employees in 10 states.

Adds Fire and Sprinkler

Transport Indemnity, Los Angeles, has been authorized to add fire and sprinkler to the lines for which it already is licensed.

Hartford S.B. Won't Move

Hartford Steam Boiler will not have to give up part of its property in Hartford for the construction of a proposed city library. The city has dropped its plan of building the \$2 million library



Like F&D,
he SPECIALIZES

DEPENDABLE

in an emergency, the helicopter pilot gives men a lift when they need it most...brings to the scene the unique skill and equipment of the specialist.



Effective, on-the-spot assistance in closing sales is readily available to the insurance producer representing F&D.

A call to the nearest F&D field office will bring to the scene a bonding specialist, equipped to handle every variety of bonding proposition—experienced in translating opportunities into commissions for the agent.

To over 9,000 representatives of F&D—bonding specialists for 61 years—this unusual sales cooperation means that they can meet their customers' bonding needs with professional competence, no matter how limited their own surety experience may be.

Other insurance producers interested in broadening their services and increasing their income will find F&D's specialized facilities worth investigating.



FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

Unlimited Opportunity for a Limited Number of Qualified Men . . .

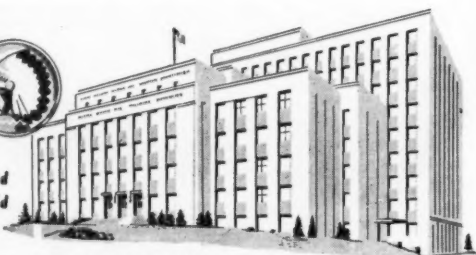
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**ADJUSTERS ERRORS
and OMISSIONS**

For the first time adjusters can purchase indemnity insurance for professional mistakes. More than any other group, they should realize the necessity of having this protection.

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on land partly owned by that company and has chosen a site in another part of the city.

Earlier, Frank W. Stevenson, attorney for Hartford Steam Boiler, told the city that if the proposed site were chosen his company would be forced to move from Hartford.

American Bonding Reports

American Bonding, in its midyear statement, reports assets of \$3,446,729, capital \$1 million and net surplus \$1,735,865.

Authorized Capital Upped

Maximum authorized capital of Carolina Casualty has been increased from \$1,100,000 to \$1,700,000.

COMPENSATION

Death Benefit Rate Increase Turned Down in Okla.

The Oklahoma Insurance Board has disapproved an application by National Council on Compensation Insurance for an increase in workmen's compensation rates requested to allow for increased losses expected under the new death benefit amendment.

The board based its finding on the fact that in the past there has been an average of 64 insured death cases a year, and noted that employers have been paying an average of 7.5% above manual rate in order to purchase excess employers liability limits to take care of fatal cases.

The board indicated it will approve a 2.2% increase to take care of increased costs provided the increase is distributed among the classifications according to the number of deaths in each classification over the past five years. Approximately 79 test cases out of a total of about 350 in the state have had deaths within the five year period.

Minn. Rates Hiked 3.5%

ST. PAUL—An increase of 3.5% in compensation rates retroactive to July 1 has been approved by Minnesota compensation insurance board. The companies had proposed an increase of 8.3% to take care of increased benefits authorized by the last legislature. The increase is expected to add about \$800,000 in premiums. Employers opposed any increase and asked a reduction ranging as much as 13%.

Wis. Auto Accident Study Group Holds First Meeting

MADISON, WIS.—The special committee of the legislative council created by the Wisconsin legislature to study problems in connection with motor vehicle accidents at its first meeting here outlined the procedure for future meetings. Sen. Arthur Van De Zande, Campbellsport local agent, was elected as chairman of the joint committee of senators, assemblymen and citizens and promised a thorough and intensive survey.

Sen. Melvin R. Laird, Marshfield, chairman of the 15-man legislative council, said there are probably 100,000 uninsured motorists in Wisconsin and urged efforts to eliminate or reduce them. He said compulsory motor vehicle insurance is not the sole solution and advised a search for other remedies, such as more rigid traffic law enforcement and expanded driver training in schools. Assemblyman Fred E. Nuernberg, Sheboygan, felt that the emphasis should not be on insurance coverage but the actual cause of street and highway accidents.

Ben L. Marcus, state motor vehicle commissioner, said courts are doing more to promote highway safety by sentencing drivers to jail terms than by other means, especially in Milwaukee city and county. Commissioner Lange said a study by a large liability insurer

disclosed that speed is the greatest accident cause and suggested that the committee study this part of the problem.

Judge Merrill Farr, Eau Claire, expressed the belief that some 65% of drivers would not be able to pass a thorough physical examination and that it might be a good plan to require those over 60 to take such a test. Dr. B. L. Corbett, Milwaukee safety director, explained that youths who have taken driving training in schools have a far better accident record than others.

R. C. Salisbury, director of the state motor department's safety division, recommended that the committee get at the facts of accidents, study records of other states, and base its recommendations on these surveys. He said Iowa has a better accident record than Wisconsin because it has enforced its speed laws, has a greater number of traffic officers, and does not have to contend with taverns.

Also promising cooperation were Lloyd Yaudes, Madison, for Wisconsin Insurance Alliance; Urban Krier, Wisconsin Assn. of Insurance Agents, and Louis N. Milan, Madison, Automotive Trades Assn.

The next meeting was scheduled for Sept. 13.

Midwest Is Heard From Throughout the Country

Midwest of Indianapolis, which is one of the five old Indiana charter companies that is in active operation, is being heard from to quite an extent throughout the country. The main factor in Midwest for the past year and a half or so has been W. B. Landwehr of St. Louis. The president is D. E. Chilcote of St. Louis. This company is exempt from supervision by the Indiana insurance department and Commissioner Viehmann has refused to sanction Midwest policies to meet the requirements of the automobile financial responsibility law.

Midwest has been issuing a 48-hour accident insurance policy that was given out by about 300 gas stations in Indiana with every \$2 purchase of fuel. Mr. Viehmann gave a warning to the public "not to fall for such tricks" until Midwest submits its financial statement to the insurance department. B. K. Elgin, general agent of Midwest, came back saying that the policies are perfectly valid and charged Mr. Viehmann with interfering with his business and using "underhanded tactics" to put him out of business.

This is the second one of the old charter companies that Mr. Viehmann has tangled with. The other is Firemen & Mechanics of Fort Wayne. He had a running battle with them over their policies and the auto financial responsibility law. He had them in court charging that the charter had expired, a full century having gone by since the company was granted its charter by the legislature. However, that company claimed that it had perpetual charter.

There are three other charter companies in Indiana that are complying with insurance department regulations regardless of any exempt status that they might be in a position to claim, they being Indiana Ins. Co., Vernon General and Franklin General. There is a sixth charter company that is dormant.

Folds Up Tent in Ill.

ST. LOUIS—Union Automobile Club of St. Louis has stopped doing business in Illinois, Insurance Director Day of that state declares.

Mr. Day said he had been trying for three months to compel the club to quit operations in Illinois, contending that its activities are illegal. He announced he had received a letter from Raymond Standerfer, president of Union Automobile Club, stating that its offices at Peoria and Springfield are being closed because memberships in Illinois are no longer being sold.

Complain on Auto R

LOUISVILLE—A complaint in the day that were lodged with the Automobile Club to the department is its consideration of a third party liability assistant to make a statement at a public hearing. The insurance law forbids it. It is not required before the department prohibits making substantiating comes effective a public hearing right to file a complaint.

Mr. Baugh rejected a request a month ago, to receive another.

The issue was Stuart, secretary of the club, who said want a 20% cause for alarm. The absence of the press is symptomatic of the discussion. The department mobile club of Lexington, Va., increase that is.

Auto P.D. Is Still Un

(CONTINUED)

a way as to The truck that had aboard \$100,000 in the tractor-trailer bill of close to \$100,000.

Stories of control for a breaking off. One accident western city the fire plug flooding the store. The tractor-trailer and the property and the property to almost the water flood silks—cost nearly \$100,000.

Insured Paid

Another case in which the automobile, was ran away and setting fire to \$23,000, insured. In another case, control of his sidewalk, crash house, overturning fire subsequent which was contents. The \$28,000.

Another case going down a road parked car inside a drug store, early damage.

An automobile tractor-trailer fire and caught in most of the insurance was \$5,000.

An automobile grade lost head to hold. It ran hit a gasoline line and the filling station and contents \$100,000.

Another case setting it afire. Insurance was into a fire engine insurance \$5,000 went out of and bashed the art shop contents of arts. The items

Complain of Secrecy in Ky. on Auto Rate Discussions

LOUISVILLE — Following publication in the daily newspapers of charges that were lodged by Louisville Automobile Club to the effect that the insurance department is surrounding with secrecy its consideration of increased automobile third party liability rates, Charles Baugh, assistant to Commissioner Southall, made a statement that there will be no public hearing on any proposed automobile insurance rate increase because the law forbids it. He said there is presently no request for such an increase before the department. He said the law prohibits making public rate filings or substantiating data until the filing becomes effective. That, he said, precludes a public hearing. Anyone would have a right to file a complaint against an increase.

Mr. Baugh stated the department rejected a request for a rate increase about a month ago, but that it expects to receive another request shortly.

The issue was stirred up by Eugene Stuart, secretary of the automobile club, who said the insurance companies want a 20% increase. This, he said, is cause for alarm, and he complained at the absence of public hearings and said the press is systematically excluded from the discussions regarding it. He said the department would not tell his automobile club or Blue Grass Automobile Club of Lexington the basis for the increase that is sought.

Auto P.D. Excess Limit Is Still Untapped Field

(CONTINUED FROM PAGE 19)

a way as to explode its gasoline tank. The truck turned over and burned. It had aboard \$28,000 worth of silk, plus the tractor-trailer equipment for a total bill of close to \$50,000.

Stories of automobiles going out of control for one reason or another and breaking off fire plugs are not unusual. One accident of this kind in a mid-western city resulted in breaking off the fire plug below the street level and flooding the basement of a department store. The tab there was \$25,000. In another incident two stores were flooded and the property damage claims amounted to almost \$100,000. In still another the water flooded a basement full of silks — cost more than \$100,000.

Insured Paid \$18,000

Another company reports an accident in which the brakes failed to hold. The automobile, which was parked on a hill, ran away and crashed into a building, setting fire to it. The damage was \$23,000, insurance \$5,000.

In another accident, the owner lost control of his automobile. It jumped the sidewalk, crashed into a frame warehouse, overturned and caught fire. The fire subsequently spread to the building, which was destroyed, along with its contents. The total loss amounted to \$28,000.

Another car ran out of control while going down a steep hill, sideswiped several parked cars and eventually stopped inside a drug store. The bill for 12 property damage claims aggregated \$19,000.

An automobile crashed into a large tractor-trailer unit and cargo, setting it afire and causing \$23,000 damage. As in most of these cases, the P.D. insurance was \$5,000.

An automobile moving up a steep grade lost headway and its brakes failed to hold. It ran back down the hill and hit a gasoline pump, set fire to the pump and the filling station, destroying building and contents. The total damage was \$100,000. Another car ran into a bus, setting it afire, with damages of \$7,500. Insurance was \$5,000. Another car ran into a fire engine—total bill \$13,000, insurance \$5,000. Another automobile went out of control, mounted the curb and bashed through the window into an art shop containing fine porcelain, objects of arts, etc.

The items that go into repair and re-

placement on the P.D. side — labor, buildings, etc. — have shot up in cost. It is much easier to do more than \$5,000 damage today than it was 10 to 15 years ago. Yet companies are writing so little private car property damage over the standard \$5,000 base that experience by higher limit groups is too meager for statistical purposes—and this includes P.D. on commercial cars as well as on private passenger vehicles. When a big P.D. loss occurs, non-commercial insured are almost as certain as taxes to pay any amount above \$5,000.

P.D. Now One-Third of B.I.

The P.D. premium used to be one-fifth of the B.I. premium; it is one-third now, all of it from rate increases, none of it from higher limits.

There is a general misconception that all one car can hit is another car. This has limited P.D. to the cost of the highest priced automobile. Also, agents have been and are understandably reluctant to ask insured even for a couple of dollars more auto premium in these days of increasing rates. On the other hand, an agent would feel pretty unprofessional if his insured was clipped for \$25,000—and had to make up \$18,000 out of his own pocket.

Iowa Assigned Risk Plan Put on Voluntary Basis

DES MOINES — Commissioner Fischer has placed the assigned risk pool operating under the state's financial responsibility law on a voluntary basis. He is reported to have informed the pool that the Iowa department will not require insurers to take part, on the ground that the financial responsibility law provides for only voluntary participation. He is reported to have suggested that the pool make the rates attractive so that the companies will take the rejected risks.

S.F. Cables Still in Barn

SAN FRANCISCO—The California street cable cars are still in the car barns, and insurance interests here have despaired of finding a market for the coverage necessary to put them back on the track.

The cables stopped running a week ago, when the public liability carried through London Lloyds expired. Because of the company's shaky financial condition the London market required that the transportation executives post a \$10,000 bond to cover the deductible

feature of the policy—which the cable car people have been unable to do. They were hopeful of having a domestic company insure them for the first \$10,000 instead of posting the bond, but so far they have been unable to accomplish this.

Few, if any, of the surplus line underwriters in San Francisco feel that the cable car company will be able to obtain the coverage needed.

Confer on Compulsory Plans

NEW YORK—The industry committee on motor vehicle accident problems, composed of representatives of various segments of business, met here two days this week to consider such problems as compulsory automobile insurance.

To Hear Investment Man

Roosevelt Humphrey, southern sales manager of Investors Syndicate, will talk at the Aug. 20 meeting of Alabama Assn. of A. & H. Underwriters.

Paul R. Border, Jr., Pittsburgh special agent for U. S. F. & G., has been named to direct the insurance school conducted by Insurance Women of Pittsburgh. Classes will start Sept. 19.

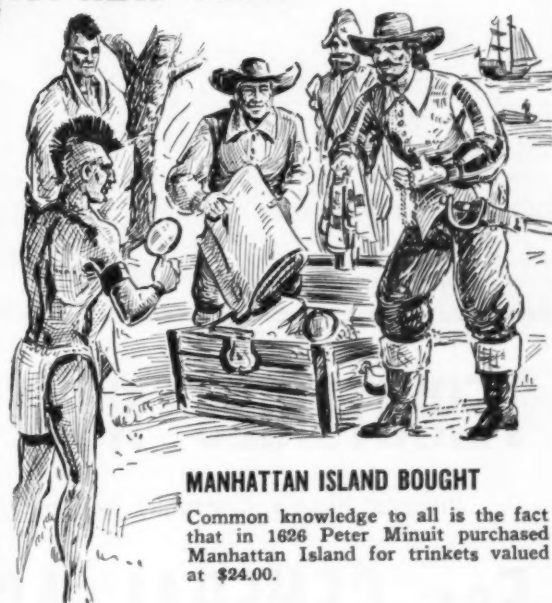
HIGH SPOTS IN HISTORY



HUDSON'S ARRIVAL

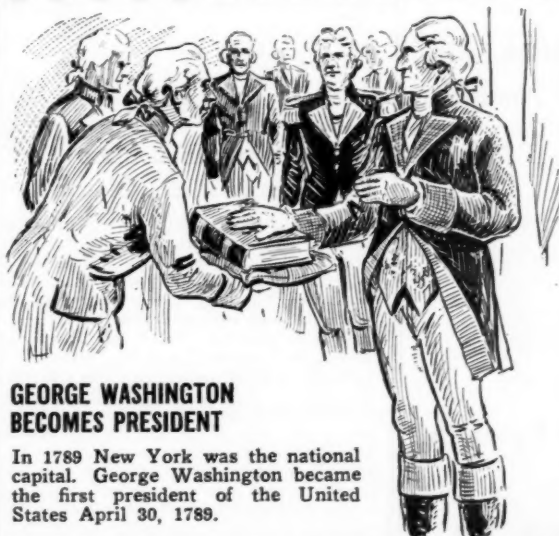
In 1609 Henry Hudson, the English navigator, sailed up the river now bearing his name.

17: NEW YORK



MANHATTAN ISLAND BOUGHT

Common knowledge to all is the fact that in 1626 Peter Minuit purchased Manhattan Island for trinkets valued at \$24.00.



GEORGE WASHINGTON BECOMES PRESIDENT

In 1789 New York was the national capital. George Washington became the first president of the United States April 30, 1789.

HAWKEYE-SECURITY INSURANCE CO. INDUSTRIAL INSURANCE CO.

Des Moines, Iowa

ALWAYS A HIGH SPOT . . .

. . . among insurance agents is when they join Hawkeye-Security & Industrial.

These agents know that these two companies do everything possible to help them build volume. They can depend upon Hawkeye-Security & Industrial to provide prompt settlement . . . every sales aid . . . and skilled field representatives to work closely with them at all times.



New York Fidelity and Surety Analysis

Fidelity Insurance Aggregates

Stock Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
1946	\$37,419,985	\$37,345,440	19.7	57.9
1947	35,006,287	39,273,338	23.9	56.4
1948	36,148,369	41,154,851	31.0	53.4
1949	42,495,675	43,771,888	54.0	58.5
1950	41,296,992	45,094,929	29.9	59.2

Mutual Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
1946	\$1,529,458	\$1,269,038	28.2	31.2
1947	1,595,092	1,421,746	44.6	34.0
1948	1,875,633	1,572,667	40.2	36.7
1949	2,160,650	1,826,645	49.2	46.7
1950	2,399,052	2,087,546	48.7	40.9

Reinsurance Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
1946	\$4,453,790	\$4,094,708	30.4	50.3
1947	5,053,681	4,652,275	34.0	49.8
1948	7,432,461	6,488,727	36.1	48.6
1949	6,053,152	6,062,504	43.4	50.5
1950	5,016,262	6,181,495	32.3	51.9

Surety Insurance Aggregates

Stock Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
1946	\$44,569,186	\$38,103,166	3.8	61.5
1947	53,494,786	46,008,296	7.8	61.2
1948	67,445,806	57,079,652	13.1	56.1
1949	75,910,987	68,711,947	15.3	61.0
1950	88,738,012	80,656,606	15.8	60.0

Mutual Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
1946	\$137,447	\$92,754	38.2	40.5
1947	266,738	212,568	68.9	36.6
1948	431,910	322,821	132.6	47.0
1949	400,933	352,967	95.4	47.4
1950	317,767	357,596	-1.9	51.8

Reinsurance Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
1946	\$4,548,321	\$3,547,831	-8.7	51.9
1947	6,312,250	4,997,120	13.3	55.3
1948	9,612,651	7,449,509	34.7	53.7
1949	11,645,689	9,977,127	34.0	52.2
1950	14,279,344	12,358,299	30.4	54.4

† These ratios show results before consideration of Federal income tax.
* Includes other acquisition expense.

Nutt L.A. Fire Manager

Continental Casualty has appointed Douglas R. Nutt manager of the fire and marine department at Los Angeles.

He has been with Providence Washington there, and formerly was with the Ribal & Nutt agency at Stockton and previously with Marine Office of America.

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Hammond, Indiana

Surety
Stock Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
American & Casualty	\$12,078	\$45,325	27.1	35.0
Aetna Cas.	5,872,883	5,419,706	7.8	61.9
American Auto Ins.	335,437	225,679	22.8	129.6
American Bonding	646,861	566,747	32.6	69.7
American Casualty	991,860	961,370	24.2	67.7
American Employers	69,379	74,955	-21.3	29.0
American Motor Ins.	3,109,053	2,675,136	13.6	64.9
American Surety	8,501	8,501	21.5	5.9
Associated Ind.	259	117	—	—
Birmingham of Pa.	1,194	2,828	—	—
Boston Ins.	14,357	1,436	—	—
Camden Fire	13,246	14,741	—	—
Car & General	813,470	813,440	11.6	43.1
Central Surety	974,372	923,275	18.0	71.9
Century Indemnity	181,761	186,240	2.5	49.7
Columbia Casualty	261,529	253,800	-1	87.9
Continental Cas.	3,703,356	3,472,850	29.6	55.6
Employers Liab.	875,561	844,672	33.1	72.1
Federal Ins.	444,202	310,008	5.1	54.3
Fidelity & Casualty	2,688,110	2,389,455	21.8	55.0
Fidelity & Deposit	6,899,233	6,576,625	7.0	71.2
Fire Ass'n Phila.	11,486	2,298	—	—
Fireman's Fund Ind.	1,147,099	1,083,099	7.4	54.8
Fireman's Fund Ins.	81,035	51,213	-12.6	44.4
Founders F & M	291,246	188,277	139.5	-110.1
General Casualty	1,412,572	1,237,377	44.3	52.1
General Ins. Co.	8,407	6,547	—	—
Glens Falls Ind.	1,366,990	1,263,631	8.5	64.2
Globe Indemnity	579,114	596,988	-5.4	70.7
Great American Ind.	1,019,504	870,209	35.0	67.6
Guarantee of N. A.	674,637	382,833	16.4	19.6
Hanover Fire	14,357	1,589	—	—
Hartford Acc.	5,542,115	4,920,692	21.2	67.5
Hawkeye Security	143,368	137,066	5.8	38.4
Home F. & M.	20,260	12,803	—	—
Home Indemnity	406,304	326,921	18.0	69.6
Indemnity of N. A.	1,761,928	1,371,828	2.5	57.9
Insurance of N. A.	1,415	1,296	—	—
International Fid.	7,334	7,645	—	—
Liv. London Globe	19,639	33,914	5.7	58.4
London Guar.	59,769	170,246	8	70.3
London & Lanc. Ind.	184,868	176,246	11.9	50.1
Manufacturers Cas.	886,622	785,762	11.9	50.1
Maryland Casualty	5,900,645	5,383,808	14.1	51.2
Mass. Bonding	2,174,432	1,966,768	19.5	51.0
Merchants Indemnity	85,402	58,448	21.1	45.7
Metropolitan Cas.	361,493	343,995	24.8	45.4
Natl. Casualty	27,144	39,479	13.1	24.8
Natl. Surety Corp.	5,359,659	4,655,721	18.9	67.0
Natl. Union Fire	4,927	2,230	—	—
Newark Fire	11,456	1,216	—	—
New Amsterdam Cas.	2,033,594	2,085,099	10.8	49.8
New England Ins.	99,933	64,280	6.1	72.8
New York Casualty	964,879	830,215	13.6	64.9
Ocean Accident	117,900	107,637	3.9	76.6
Old Colony Ins.	2,650	1,216	—	—
Pacific Indemnity	360,749	333,627	2.1	61.8
Peerless Cas.	1,425,688	1,137,444	14.2	60.6
Phoenix Indemnity	188,809	125,433	11.8	89.2
Preferred Acc.	123,586	89,635	-26.4	67.2
Providence Wash. Ins.	14,357	1,435	—	—
Queens Ins.	28,458	574	—	—
Reliance Ins.	2,871	574	—	—
Royal Indemnity	632,147	646,737	-5.4	69.9
Royal Ind. Mut. Cas.	22,912	22,912	—	—
St. Paul-Mercury Ind.	2,168,392	2,153,914	11.8	55.3
Seaboard Surety	2,650,828	2,150,696	7.0	54.6
Springfield F. & M.	7,250	2,010	—	—
Standard Accident	3,234,295	2,903,638	9.4	35.9
Sun Ins.	9,819	1,216	—	—
Sun Indemnity	53,148	50,075	-1.1	71.4
Surety Fire	214,417	184,492	13.6	64.9
Thames & Mersey	3,273	2,486,509	22.5	67.8
Travelers Indemnity	3,133,768	2,486,509	8.7	50.9
United Pacific Ins.	1,401,201	961,434	6.6	61.4
United Nat. Ind.	185,793	143,506	4.0	55.9
U. S. Casualty	596,211	493,315	21.4	54.6
U. S. Fid. & Guar.	9,892,807	9,320,844	24.7	57.0
U. S. Guarantee	2,659,499	2,307,265	1.1	56.9
Yorkshire F. & M.	4,091	1,436	—	—
Yorkshire Indemnity	39,048	175,232	-3.9	69.6
Total-Stock Cos.	\$89,738,012	\$80,656,606	15.8	60.0

Mutual Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
American Mut. Liab.	\$2,170	\$1,925	—	—
Liberity Mut. Ins.	837	781	—	—
Lumbermen's Mut. Cas.	161,864	174,896	-31.9	49.4
Security Mut. Casualty	152,876	179,965	27.3	55.5
Total-Mutual Cos.	\$317,767	\$357,567	-1.9	51.8

Reinsurance Companies

	Country-wide	Underwriting Ratios	Expense Analysis	General Taxes & Fees
	Net premiums written	Losses incurred to earned	Exp. (adj.)	Claim exp. to earned
American Reins.	\$3,937,471	\$3,269,956	19.8	52.0
Employers Reins.	2,675,423	2,271,563	17.7	60.5
Excess of America	30,222	174,943	1.9	171.3
General Reins.	3,353,964	2,983,695	41.4	80.8
No. Amer. C. & S. Reins.	2,972,249	3,192,467	36.8	55.1
Reins. Corp. of N. Y.	14,307	1,436	—	—
Swiss Reins.	1,213,561	495,149	56.8	50.1
Total-Reins. Cos.	\$14,379,344	\$12,388,299	30.2	54.4

Loan Firm's Insurance

Dealings in Mich. Cleared

Circuit Judge Pugsley at Muskegon, Mich., has overruled a decision of Municipal Judge Beers which had voided an auto finance transaction because the borrower had not been permitted to place his own insurance on the car.

Judge Pugsley ruled in favor of Michigan Fidelity Loan Co. which was seeking a \$304 judgment from Robert C. Hoos. Judge Beers held that the insurance premiums charged constituted an extra charge of an illegal nature, invalidating the entire transaction. The insurance had been placed by the loan company and defense counsel contended, without drawing a denial, that the insurance firm was controlled by the loan company.

Judge Pugsley said there had been no fraud and Hoos had suffered no actual loss except the right to choose his own agent and insurer as stipulated by Michigan statute. It was found that the premiums charged by the insurer,

whose president is also president of Fidelity Loan, were not excessive. Mr. Hoos was not the original purchaser of the car but was a co-signer on a note with William P. O'Donnell, the buyer, who had been called to military, his car subsequently being wrecked.

New Officers at Emporia

New officers of Emporia (Kan.) Insurers are Calvin H. Lambert, president, succeeding Charles S. Lawrence; H. R. Keifer, secretary, and Gerald Stafford, vice-president.

Form New St. Louis Mutual

Empire State Mutual Fire, St. Louis, has been incorporated by R. B. Barbero, J. M. Barbero and S. Berman. Hough & Nester handled the legal details.

Dean L. Myers, for the past five years Wichita adjuster for Travelers, has resigned to open a local agency there and has been voted to membership in Wichita Assn. of Insurance Agents.

IN EVERY FIELD...

Look to the Specialists
FOR THE BEST



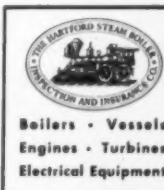
\$5,000,000? \$8,000,000? \$11,000,000? These days, industrial plants are costly. If your client were spending that much money, he'd choose an engineering firm of specialists in industrial architecture.

But what about the heart of that factory — the boilers and machinery which keep the investment earning? Such vital equipment needs the protection of specialists in the business of safeguarding it.

For more than 85 years, agents and brokers have placed more boiler and machinery insurance with

Hartford Steam Boiler than with any other company. It offers your clients *more* than good insurance. Its larger staff of engineers and inspectors are *specialists* in detecting possible causes of accidents and forestalling breakdowns that may disrupt production and pile up direct and indirect expense.

Today, especially, this "plus" value earns lasting goodwill and confidence in your service. You benefit, too, from the assistance of the Hartford Special Agent — a specialist in the selling and servicing of power plant insurance.



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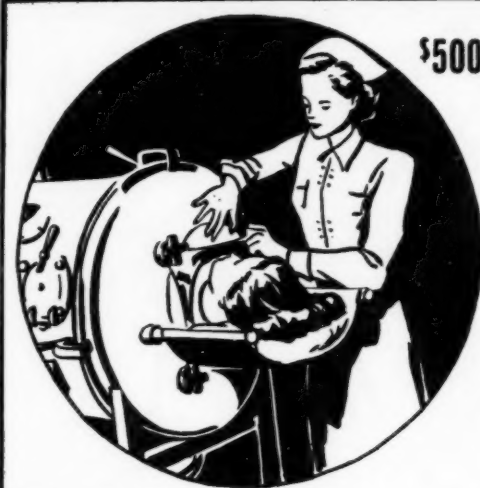
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for

Polio
and 7
Dread
Diseases

3 Plans for all needs

Here they are... the really superior Polio and Dread Disease* Plans. \$5000 Blanket Medical Expenses with no "schedules" and no "deductibles." Covers expenses incurred within three years from date of first treatment... for Polio, Diphtheria, Smallpox, Spinal Meningitis, Scarlet Fever, Tetanus, Encephalitis and Leukemia. All ages are eligible... and you can sell American's plan to individuals—to families—to groups!

The first three months of this year show an increase in Polio cases of 25% over 1949 (an epidemic year). BE PREPARED to handle the huge demand for Polio and Dread Disease coverage which has already started. Give your clients the **FINEST** policy and double your own earnings! Write today for full information about American Casualty's Polio and Specified Dread Disease Policy.

*The Specified Dread Disease Policy is not available in New Jersey.

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Home of an Adopted Mississippian

Monmouth

"A MAN'S HOUSE"

In their French blue uniforms trimmed with silver lace and buttons the dashing Natchez Fencibles melted maidens' hearts. John Anthony Quitman, organizer and leader of this volunteer company, won the hand of a wealthy Natchez belle who gossip said had rejected fifty other suitors. Lest he be considered a fortune hunter, in the marriage contract the youthful lawyer waived all claim to his wife's estate if she died childless.

Quitman, a native of New York State, had fulfilled an early ambition to live in the South by settling in Natchez where, as a young man, he rose rapidly in the legal profession and achieved eminence in politics. Monmouth, which has been de-

scribed as "a man's house," had a sturdy, simple style of architecture befitting his character. It was acquired by Quitman in 1826 and had been built a few years earlier by John Hankinson, another New Yorker, whose tenancy was brief and tragic. Out of kindness, Hankinson and his wife sheltered an ailing man whose malady, yellow fever, was fatal to all three.

Quitman's interest in military affairs began when he led and personally defrayed the expenses of an expedition to assist the Texans in their struggle for freedom. During



the Mexican War he was appointed major-general in recognition of his bravery at the battle of Monterey. In the bitter fighting that took place before Mexico City was captured, he fastened his red silk handkerchief to a rifle and, waving it aloft, urged on the assault. Next day, with the rim of his hat shot away and with only one shoe, Quitman led his troops into the city.

In 1849 Quitman was elected Governor of Mississippi and at his inauguration white-gowned women threw flowers before him and sang "Hail to the Chief." He was beginning his second term as Congress-



man when his health failed and he died at Monmouth in 1858. This lovely dwelling which was his home for thirty-two years is still privately owned.

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